

1 cryptocurrency overall, I don't recall having a -- a
2 very great understanding about the ecosystem. So it
3 isn't likely I would have had a point of view. I
4 was forwarding a presentation for a direct report
5 that -- to make sure they were in the loop on things
6 that were going on at the company.

7 BY MS. WAXMAN:

8 Q. Did anyone tell you that the goal was to
9 get listed on Coinbase?

10 A. I don't recall.

11 MS. WAXMAN: Exhibit 5, please.

12 (Whereupon, Deposition Exhibit 5
13 was marked for identification.)

14 BY MS. WAXMAN:

15 Q. Mr. Will, we're showing you what's been be
16 marked RW5, which is an exhibit with the Bates
17 RPLI_SEC 0644001.

18 Please take a moment to review it and let
19 me know when you're done.

20 A. Okay.

21 Q. Brad is -- why did Brad send this email?

22 MR. FORD: Objection to form.

23 BY MS. WAXMAN:

24 Q. Did he tell you why he sent this email?

25 A. I don't know when I was copied into this

1 email. I may have been copied in by Patrick. I
2 don't recall the email specifically.

3 Q. Did -- did Brad recommend making certain
4 disclosures regarding XRP purchases?

5 MR. FORD: Objection to form.

6 THE WITNESS: I don't recall why my part
7 of this email is about disclosures.

8 BY MS. WAXMAN:

9 Q. And did you make a recommendation to Brad
10 as to whether the company should disclose that it
11 was purchased -- that it would purchase XRP?

12 MR. FORD: Objection to form.

13 THE WITNESS: I don't recall this
14 conversation. This email exchange.

15 BY MS. WAXMAN:

16 Q. At the top of the email, you say:

17 "I don't favor being
18 inconsistent with our public
19 disclosures, but we have some
20 leeway as an early stage company."
21 What did you mean by having leeway?

22 MR. FORD: Objection to form and
23 mischaracterizes the document.

24 THE WITNESS: As a private company, it is
25 fairly common, in my experience, that a company will

1 provide disclosures to investors or partners or
2 interested parties. Those are not -- those don't
3 have to be consistent period over period. You
4 can -- you can change around to -- at [REDACTED],
5 at -- at my current company, we experiment with
6 different public disclosures as a normal course to
7 see what provides investors in the equity of our
8 company with useful information.

9 BY MS. WAXMAN:

10 Q. Was that your view during your entire
11 tenure at Ripple with respect to what information
12 Ripple should disclose?

13 MR. HECKER: Objection to form.

14 THE WITNESS: As a private company that
15 was usually the lens that I looked at. I think at
16 different points of time, it would depend on the
17 specific information that was involved.

18 BY MS. WAXMAN:

19 Q. During your tenure at Ripple, did you ever
20 come to understand that Ripple purchased XRP from
21 the -- in the market?

22 MR. FORD: Objection to form.

23 THE WITNESS: I recall that there were
24 discussions about that.

25 / /

1 BY MS. WAXMAN:

2 Q. And who did you have discussions with
3 about that?

4 A. They were group discussions of the
5 executive team in the presence of counsel.

6 Q. And did Ripple ultimately -- strike that.
7 Did you ever approve any transactions in
8 which Ripple purchased XRP in the market?

9 A. I don't recall.

10 MR. FORD: Objection to form.

11 THE WITNESS: Sorry.

12 MR. FORD: It's okay.

13 THE WITNESS: Don't recall.

14 MS. WAXMAN: Exhibit 9, please.

15 (Whereupon, Deposition Exhibit 9
16 was marked for identification.)

17 THE WITNESS: Thank you.

18 BY MS. WAXMAN:

19 Q. Mr. Will, I'm showing you what's been
20 marked RW9, which is an exhibit with the Bates
21 RPLI_SEC 0394831 through -835.

22 And I'm -- I'm going to ask you questions
23 on the first page.

24 MR. FORD: Feel free to take time to read
25 through the whole email if that gets you through --

1 MS. WAXMAN: Yes. Take as much time as
2 you need.

3 MR. FORD: So I'll just again note that
4 this is an email that has an attachment according to
5 its metadata on the top here and we haven't been
6 provided with the attachment.

7 Do you have it? Are you going to show him
8 the attachment as well or just the email?

9 MS. WAXMAN: I'm not going to show him the
10 attachment.

11 MR. FORD: So I'll just put the same
12 objection on the record that you're showing him the
13 email without its full context.

14 Mr. Will, to the extent you feel like you
15 can answer Ms. Waxman's questions do so, but
16 recognize there's context here that you're lacking.

17 THE WITNESS: Yeah.

18 Okay.

19 BY MS. WAXMAN:

20 Q. Do you know who Arthur Britto is?

21 A. Arthur Britto is one of the developers of
22 XRP.

23 Q. Is he a Ripple employee?

24 MR. FORD: Objection to form.

25 THE WITNESS: He may have been over the

1 time period that I was there.

2 BY MS. WAXMAN:

3 Q. And when you say he may have been, is
4 there any reason why you're unsure of his status?

5 MR. HECKER: Objection to form.

6 THE WITNESS: We had over 200 people on
7 payroll when I started. We had close to 500 people
8 on payroll when I left. I would say I don't know
9 exactly whether he was a contractor, an employee or
10 was just an advisor to the company.

11 BY MS. WAXMAN:

12 Q. Do you know what role or responsibilities
13 he had?

14 MR. FORD: Objection to form. Foundation.

15 THE WITNESS: I don't remember
16 specifically. He was extremely knowledgeable about
17 cryptocurrency, and so we valued his input as an
18 advisor.

19 BY MS. WAXMAN:

20 Q. And did you have any interaction with
21 Mr. Britto while you were at Ripple?

22 A. Next to none.

23 Q. Is Mr. Britto relaying certain concerns in
24 the email on the bottom of 0394832?

25 MR. FORD: Objection to form and to the

1 characterization of the document.

2 THE WITNESS: 832.

3 BY MS. WAXMAN:

4 Q. The bottom of the -- the email on Friday,
5 December 15th at 4:25 from Arthur Britto. Can you
6 read that into the record?

7 A. The -- starting with "Hi Brad"?

8 Q. Please.

9 A. "Here's a real life example of how we are
10 failing to communicate. The impact being lack of
11 investment and the further spread of a negative
12 message. This is -- this group in particular is
13 broadcasting a negative XRP message."

14 Q. Did you understand Mr. Britto to be
15 talking about a lack of investment in XRP?

16 MR. FORD: Objection to form. Foundation.

17 THE WITNESS: I don't believe -- I -- I
18 don't recall this exchange. I don't believe I was
19 copied in at that point. I don't remember reading
20 down to that point.

21 BY MS. WAXMAN:

22 Q. Is there anything in the thread that would
23 make you believe that he's talking about Ripple
24 equity investors?

25 MR. FORD: Objection to form.

1 THE WITNESS: I don't really have a point
2 of view on that. At the time, I don't -- I don't
3 believe I read it. Don't recall, so ...

4 BY MS. WAXMAN:

5 Q. Did you have an understanding of why Brad
6 forwarded the email to you?

7 MR. FORD: Objection to form.

8 THE WITNESS: General education. I was a
9 new employee. This was about a month after I had
10 started.

11 BY MS. WAXMAN:

12 Q. And did he solicit any feedback from you,
13 either in writing or orally?

14 A. I don't recall.

15 Q. Did you provide any feedback?

16 A. I don't recall outside of this email
17 exchange, but -- I don't recall.

18 Q. Okay. In the email, did you recommend
19 certain steps that the company could take to address
20 some of the concerns that Mr. Britto had
21 regarding --

22 MR. FORD: Objection --

23 BY MS. WAXMAN:

24 Q. -- broadcasting a negative XRP message?

25 MR. HECKER: Objection to form.

1 Foundation.

2 THE WITNESS: I don't remember this email
3 exchange. It appears, given the reading of the
4 email that I wrote to Brad, that I was just setting
5 up a construct to think about the problem compared
6 to how a public company would educate investors
7 about its equity.

8 BY MS. WAXMAN:

9 Q. And why were you comparing Ripple's
10 efforts to what a public company does?

11 MR. HECKER: Objection to form.
12 Foundation.

13 THE WITNESS: I was trying to anchor in
14 something I had some knowledge of as I was getting
15 up to speed on crypto.

16 BY MS. WAXMAN:

17 Q. Did you understand Ripple to be engaged in
18 similar efforts as a public company that looked to
19 raise funds from shareholders?

20 MR. HECKER: Objection to form.
21 Foundation.

22 THE WITNESS: We were a private company at
23 the time. I was getting up to speed at the time. I
24 don't specifically recall, you know, what the
25 marketing was at that time of -- of the company's

1 equity.

2 BY MS. WAXMAN:

3 Q. Did you view XRP as a way for investors to
4 invest in Ripple?

5 MR. FORD: Objection to form.

6 THE WITNESS: In this email exchange I was
7 only trying to set up a comparable situation to try
8 to educate the discussion.

9 BY MS. WAXMAN:

10 Q. Outside of this email, at any point in
11 time, did you view XRP as a way for investors to
12 invest in Ripple?

13 MR. FORD: Objection to form.

14 THE WITNESS: No.

15 BY MS. WAXMAN:

16 Q. At the bottom of the email, you talk about
17 Ms. [REDACTED] Can you read that paragraph into the
18 record?

19 A. Starting with [REDACTED]?

20 Q. Please.

21 A. [REDACTED] and I have created and are
22 executing on an IR strategy that we've presented to
23 Monica/Patrick. I think it might make sense to have
24 some kind of regular IR
25 meeting/communications/dashboard. Keep us all on

1 the same page, have clarity on strategy, issues,
2 prioritization, et cetera."

3 Q. That's okay. You can stop.

4 Are you talking about an IR strategy with
5 respect to communications and marketing specific to
6 XRP?

7 MR. FORD: Objection to form.

8 THE WITNESS: I don't specifically recall,
9 but that would be -- that would be not what I would
10 mean by IR. IR, I would specifically mean, given my
11 experience at [REDACTED] and all the other private
12 companies I worked at, to mean the equity of Ripple
13 in this context.

14 BY MS. WAXMAN:

15 Q. But isn't this email all about
16 broadcasting a negative XRP message and isn't this
17 email all about an investment in XRP, not --

18 A. Most of this email --

19 MR. FORD: Object -- object to the form.
20 Object to the characterization. And, again, you
21 haven't given him the entire email because you
22 haven't given him the attachment.

23 So, Mr. Will, again, to the extent you can
24 answer the question based on what Ms. Waxman has
25 chosen to show, go ahead.

1 MR. HECKER: Also just object on the
2 grounds it's argumentative.

3 You can answer if you understand it.

4 THE WITNESS: Most of this email is, in my
5 review, about how we would market Ripple equity
6 going forward and an opportunity for me to build
7 some consensus around that with Brad as a new
8 employee.

9 BY MS. WAXMAN:

10 Q. Did you ever recommend any action with
11 respect to marketing XRP?

12 A. Not that I recall.

13 MS. WAXMAN: And just for the record, the
14 attachment is called "Cannaccord, December 13th,
15 2017." And I believe --

16 MR. HECKER: Wait. I'm sorry.

17 Okay. Go ahead.

18 MS. WAXMAN: Exhibit 12, please.

19 (Whereupon, Deposition Exhibit 12
20 was marked for identification.)

21 BY MS. WAXMAN:

22 Q. Mr. Will, I'm showing you what's been
23 marked as Exhibit RW12, which is a document with the
24 Bates RPLI_SEC 038375 through -76.

25 / /

1 ZOOM PARTICIPANT: Could you repeat the
2 exhibit number?

3 MS. WAXMAN: 0 -- 12.

4 ZOOM PARTICIPANT: 12. Thank you.

5 THE WITNESS: Okay.

6 BY MS. WAXMAN:

7 Q. And [REDACTED] reported to you?

8 A. [REDACTED] reported to me.

9 Q. He was the controller?

10 A. He was the controller.

11 Q. Okay. And why was he sending you this
12 email regarding escrow -- regarding XRP being
13 released from the escrow?

14 MR. HECKER: Objection to form.
15 Foundation.

16 THE WITNESS: [REDACTED] was involved with the
17 escrow process, and that's -- that's why he sent
18 this.

19 BY MS. WAXMAN:

20 Q. In connection with Ripple's XRP holdings,
21 where did Ripple hold its -- where did Ripple hold
22 its XRP?

23 MR. FORD: Objection to form.

24 THE WITNESS: I'm not sure I'm clear on
25 the question.

1 BY MS. WAXMAN:

2 Q. Earlier you testified that Ripple had over
3 60 billion XRP. And you also testified that at some
4 point before you arrived, Ripple held a portion of
5 its XRP in escrow. Did it hold any XRP outside of
6 the escrow?

7 A. Yes.

8 Q. Okay. And how much XRP did it hold
9 outside of the escrow?

10 A. It varies over time, but I recall roughly
11 [REDACTED] XRP at any given time.

12 Q. And -- and why did it have a separate --
13 why did it hold XRP outside of the escrow?

14 MR. FORD: Objection to form.

15 THE WITNESS: It would be a variety of
16 reasons we would hold it outside of the escrow. We
17 had commitments to provide XRP to partners. So
18 those would be held outside of escrow. Also any XRP
19 that we wanted to use in our product or for other
20 purposes, testing or experimentation, we would keep
21 outside of the escrow. So we had to -- we -- we set
22 the amount of escrow so that it wasn't 100 percent
23 of the XRP.

24 BY MS. WAXMAN:

25 Q. Did -- did Ripple publicly disclose when

1 it would distribute or use XRP in the -- that was
2 held outside of the escrow?

3 MR. FORD: Objection to form.

4 THE WITNESS: Ripple provided, if I
5 recall, nearly real time, at least daily, if I
6 recall, balance information of its holdings of XRP
7 both in the escrow and outside of the escrow.

8 BY MS. WAXMAN:

9 Q. Where was that information?

10 A. On the website.

11 Q. Okay. Did -- in the -- in this -- going
12 back to this email, did -- did Mr. [REDACTED] propose
13 returning -- overstating Ripple's XRP usage?

14 MR. FORD: Objection to form.

15 MR. HECKER: Objection to form.

16 THE WITNESS: He is --

17 BY MS. WAXMAN:

18 Q. As it pertained to the escrow.

19 MR. HECKER: Sorry. Objection, form.

20 THE WITNESS: [REDACTED] appears -- and
21 this is two months after I joined, so I was getting
22 familiar with the escrow mechanics, as well as the
23 escrow itself, as well as crypto -- would be
24 responsible for making recommendations about how
25 much XRP we would move from the escrow and return to

1 the escrow.

2 And typically the move was predetermined.

3 It was a billion units of XRP, but his

4 recommendation would usually be about how much we

5 would return to the escrow.

6 BY MS. WAXMAN:

7 Q. Okay. And did he -- did he recommend

8 that -- what was his recommendation with respect to

9 how much you should return to the escrow during this

10 particular period?

11 MR. FORD: Objection to form.

12 THE WITNESS: In the first sentence, it

13 appears he's recommending that we take 100 million

14 from escrow to our main wallet.

15 BY MS. WAXMAN:

16 Q. And why -- and was that in excess of

17 projected usage?

18 MR. HECKER: Objection to form.

19 MR. FORD: Objection to form.

20 THE WITNESS: The XRP that Ripple would

21 hold would be transparent to anyone on the website

22 to be able to view. We didn't view it as this was

23 the only method that someone might be able to see

24 what our XRP usage was. They had other ways to

25 figure that out.

1 BY MS. WAXMAN:

2 Q. How -- how could someone figure out what
3 Ripple's XRP usage was?

4 A. They could track our XRP balance on a
5 daily and even more frequent basis to see how much
6 XRP Ripple held.

7 Q. And how would they -- would they need to
8 know which XRP wallets were being maintained by
9 Ripple in order to do that?

10 A. Ripple, in my recollection, provided two
11 numbers on its website. One was the amount that was
12 in escrow and one that was outside of escrow. By
13 adding those two numbers up, you knew the total
14 amount of XRP that Ripple owned.

15 Q. Okay. At the top, you write -- you
16 respond to Peter's email. You say:

17 "We may want to get the market
18 in the habit of seeing slightly
19 larger drawdowns each month so we
20 don't show our cards when we
21 increase it for something
22 strategic."

23 Are you talking about drawdowns of XRP
24 each month from the escrow?

25 A. I recall that being, we would discuss if

1 we needed a larger amount of XRP for a strategic
2 reason, we would unfortunately be telegraphing that
3 need if we only did it through the escrow release.
4 So was there a rationale to not prerelease that
5 information effectively as a private company by
6 taking a -- a consistent but -- a consistent amount
7 every month that was slightly in excess of what we
8 might need to -- to build that buffer.

9 Q. And when you're talking about the market,
10 are you talking about XRP holders?

11 A. In this context, yes.

12 Q. Okay. And why didn't you want to show
13 increases to the XRP market? Were you -- were you
14 concerned how that would -- that information would
15 be -- how the market would react to that
16 information?

17 MR. HECKER: Objection to the form of that
18 question.

19 THE WITNESS: I don't remember
20 specifically in early 2018, but a typical concern
21 would be of more of a strategic competitive nature
22 to Ripple.

23 BY MS. WAXMAN:

24 Q. What do you mean, a competitive nature to
25 Ripple?

1 A. Ripple competes with other fintech
2 companies, cryptocurrency companies, and as a
3 payment company, other payment companies, if they
4 had knowledge that we might be doing something
5 large, for example, MoneyGram, then that was, as --
6 as I say here, showing our cards early.

7 Q. Okay.

8 MS. WAXMAN: Should we take a lunch break?

9 MR. HECKER: Sure.

10 THE VIDEOGRAPHER: We're going off the
11 record. The time is 12:57 p.m.

12 (Whereupon, a lunch recess was taken.)

1 JULY 30, 2021

1:47 P.M.

2 P R O C E E D I N G S

3 AFTERNOON SESSION

4 THE VIDEOGRAPHER: Back on the record.

5 The time is 1:47 p.m.

6 BY MS. WAXMAN:

7 Q. Mr. Will, before we broke for lunch, you
8 testified earlier about certain approval matrices
9 that were used for decision-making at Ripple. Is
10 that correct?

11 A. Yes.

12 Q. What decisions did those approval matrices
13 pertain to?

14 MR. FORD: Objection to form.

15 THE WITNESS: You typically have an
16 approval matrix for financial decisions, things that
17 had a financial implication.

18 BY MS. WAXMAN:

19 Q. Did you have more than one approval matrix
20 that you used?

21 MR. FORD: Objection to form.

22 THE WITNESS: I don't specifically recall
23 at Ripple if we did.

24 BY MS. WAXMAN:

25 Q. Did you use -- did you use certain

1 approval matrices at Ripple in connection with
2 certain decisions?

3 MR. FORD: Objection to form.

4 THE WITNESS: I don't specifically recall.
5 It's very standard at a company to have a -- a
6 matrix or a process around what approvals require
7 the specific involvement of the CEO or the CFO.

8 BY MS. WAXMAN:

9 Q. And was there a specific document where
10 the matrix was documented?

11 A. Don't recall.

12 Q. Did anyone else at the company use these
13 approval matrices, other than you?

14 MR. FORD: Objection to form.

15 THE WITNESS: Don't recall.

16 BY MS. WAXMAN:

17 Q. If there -- would this document be used
18 outside of the finance department?

19 MR. FORD: Objection to form. He just
20 said he doesn't recall any documents.

21 THE WITNESS: Don't recall.

22 BY MS. WAXMAN:

23 Q. Did you have any discussions with anyone
24 regarding the approval matrices during your entire
25 tenure at Ripple?

1 MR. FORD: So if the answer to that
2 includes discussion with counsel, I'd ask you not to
3 disclose those. But if you have other -- awareness
4 of other discussions, you can answer.

5 THE WITNESS: Don't recall.

6 BY MS. WAXMAN:

7 Q. Did you have any discussions with
8 Mr. Garlinghouse about any approval matrices at
9 Ripple?

10 A. Don't recall.

11 Q. What information was -- what information
12 was contained in the -- in the approval matrices
13 that were used at Ripple?

14 A. I don't recall the specifics of the Ripple
15 approval matrix.

16 Q. What information is generally contained in
17 an approval matrix?

18 MR. FORD: Objection to form.

19 THE WITNESS: At [REDACTED] for example, we
20 would have an approval matrix that, depending on the
21 type of transaction, would lay out the dollar
22 thresholds that various approvals were required.

23 BY MS. WAXMAN:

24 Q. So would it have the name of a specific
25 individual at the company who would be required to

1 approve a certain transaction?

2 A. I recall at the Yahoo, approval matrix, it
3 would be by title.

4 Q. Did you have -- did the approval matrix
5 for Ripple assign certain responsibilities to
6 certain people who had certain roles at the company
7 at Ripple?

8 So, for example, you know, it wouldn't put
9 a person's name but would it provide for, you know,
10 the CEO to approve certain transactions?

11 MR. FORD: Objection to form.

12 THE WITNESS: I don't specifically recall.

13 BY MS. WAXMAN:

14 Q. Other than you, did anyone else at Ripple
15 use this -- use approval matrices?

16 MR. FORD: Objection to form. Asked and
17 answered.

18 THE WITNESS: Don't recall.

19 BY MS. WAXMAN:

20 Q. Did you have an understanding whether
21 this -- the use -- the company was using approval
22 matrices before you came to Ripple?

23 MR. FORD: Objection to form.

24 THE WITNESS: At an early stage company,
25 like Ripple was, less than 200 employees, it would

1 be uncommon that they would have formalized the
2 approval process at that point.

3 BY MS. WAXMAN:

4 Q. Is -- is that something you did when you
5 started with Ripple?

6 MR. FORD: Objection to form.

7 THE WITNESS: I don't recall specifically,
8 but that is something that I commonly do as part of
9 entering into a start-up as part of my job function.

10 BY MS. WAXMAN:

11 Q. Do you -- I know you don't specifically
12 recall doing that at Ripple, but do you have a
13 general recollection of taking those sorts of steps
14 when you joined Ripple?

15 A. In general, part of my role is to
16 formalize financial process. So it would be part of
17 a playbook, if you will, of activities that I would
18 put in place at a start-up.

19 Q. And is -- would you need the approval of
20 senior executives before you instituted certain
21 approval matrices?

22 MR. FORD: Objection to form.

23 THE WITNESS: You would want the alignment
24 of typically the -- the CEO and -- and others before
25 formalizing an approval matrix depending on how

1 specific it was.

2 BY MS. WAXMAN:

3 Q. And did you discuss with either --
4 Mr. Garlinghouse -- the institution of certain
5 approval matrices at Ripple?

6 A. Don't recall.

7 MR. FORD: Objection to form.

8 THE WITNESS: Sorry. Sorry.

9 BY MS. WAXMAN:

10 Q. And I apologize if I asked this already.
11 Did you draft -- do you approve certain -- I know
12 you don't specifically recall matrices at Ripple,
13 but did you have an -- who drafted those approval
14 matrices for Ripple?

15 MR. HECKER: Objection to form.
16 Foundation.

17 THE WITNESS: Typically, I would be
18 involved, if not specifically tasked, with coming
19 together with an approval matrix at a start-up.

20 BY MS. WAXMAN:

21 Q. So if -- so at Ripple, you would have been
22 a primary drafter of any approval matrices at
23 Ripple?

24 MR. FORD: Objection to form.

25 THE WITNESS: There could be others that

1 were implementing it for nonfinancial processes, but
2 typically the CFO would be responsible for a
3 financial approval matrix.

4 BY MS. WAXMAN:

5 Q. And what financial transactions needed to
6 be approved by the CEO?

7 MR. FORD: Objection to form.

8 THE WITNESS: I don't recall specifically
9 which transactions.

10 BY MS. WAXMAN:

11 Q. Do you have a general understanding of
12 what transactions the CEO needed to approve with --
13 what financial transactions the CEO needed to
14 approve?

15 MR. FORD: Objection to form.

16 THE WITNESS: Typically a CEO at a
17 start-up would approve any acquisitions and any
18 material, financial transactions that either
19 obligated the company to provide funds or any kind
20 of major activities.

21 BY MS. WAXMAN:

22 Q. Did the CEO need to approve any
23 acquisitions at Ripple?

24 MR. FORD: Objection to form.

25 THE WITNESS: It would be typically that a

1 CEO would specifically approve any acquisitions, and
2 above a certain size, the board would also be
3 involved with the acquisitions.

4 BY MS. WAXMAN:

5 Q. And same question for financial
6 transactions that obligated the company to provide
7 funding.

8 MR. FORD: Objection to form.

9 BY MS. WAXMAN:

10 Q. Is that something that the CEO would need
11 to approve?

12 A. CEO would be involved in approving
13 material financial transactions.

14 Q. Were there any transactions that you could
15 approve without getting sign-off from the CEO?

16 MR. FORD: Objection to form.

17 THE WITNESS: I typically coordinated, if
18 not explicitly gained the approval of the CEO on any
19 material transaction.

20 BY MS. WAXMAN:

21 Q. Would you need the specific approval of
22 any other senior executive at Ripple other than the
23 CEO?

24 MR. FORD: Objection to form.

25 THE WITNESS: Depends on the nature of the

1 transaction.

2 BY MS. WAXMAN:

3 Q. Did Ripple custody XRP on behalf of third
4 parties?

5 A. I don't recall.

6 Q. Did Ripple ever custody -- enter into an
7 agreement with Coinbase whereby Ripple would
8 custody -- Coinbase would custody a portion of
9 Ripple's XRP?

10 MR. FORD: Objection to form.

11 MR. HECKER: Objection to form.

12 THE WITNESS: Don't recall.

13 BY MS. WAXMAN:

14 Q. Did you have an understanding as to why
15 Ripple would ask a third party to custody its XRP?

16 MR. FORD: Objection to form.

17 MR. HECKER: Objection to form.

18 Foundation.

19 THE WITNESS: At the time -- I don't
20 recall now why. At the time, I -- I may have.

21 BY MS. WAXMAN:

22 Q. Did you -- did you have any involvement
23 with any agreements between Coinbase and Ripple
24 during your tenure?

25 A. I don't recall.

1 MS. WAXMAN: Exhibit 6, please.

2 (Whereupon, Deposition Exhibit 6
3 was marked for identification.)

4 BY MS. WAXMAN:

5 Q. Mr. Will, I'm showing you what's been
6 marked RW6, which doesn't have a Bates stamp number
7 on it. It's an email string dated December 13th,
8 2017 and December 14th, 2017.

9 MR. FORD: Daphna, do we know the Bates
10 number of the document?

11 MS. WAXMAN: I don't know it right at the
12 moment, but we can get it for you.

13 THE WITNESS: Okay.

14 BY MS. WAXMAN:

15 Q. Do you know what this email is about?

16 A. I don't recall the specific email
17 exchange, but it appears to be about a problem with
18 the escrow.

19 Q. And what problem with the escrow?

20 A. According to the --

21 Q. On the top email.

22 A. Yeah. Sorry.

23 According to the email, in the exchange
24 between Brad, [REDACTED] Monica, about a month after I
25 joined the company, they discuss fixing a bug in how

1 we implemented the escrow.

2 Q. And were people at the company concerned
3 of -- about disclosing the bug?

4 A. I can't --

5 MR. FORD: Object -- object to the form.

6 THE WITNESS: I can't speak to whether
7 people at the company were concerned.

8 BY MS. WAXMAN:

9 Q. Did you --

10 A. I don't recall.

11 Q. Did you make a recommendation regarding
12 what to publicly disclose about the incident?

13 MR. FORD: Objection to the form of the
14 question.

15 THE WITNESS: There's a sentence here that
16 I wrote back asking about:

17 "Will it be obvious it was a
18 bug? Can we say something like
19 we" -- in quotations, "we refined
20 the escrow?"

21 BY MS. WAXMAN:

22 Q. Why did you recommend to say that Ripple
23 had refined the escrow instead of just disclosing
24 that a bug had occurred?

25 MR. HECKER: Objection to form.

1 Foundation.

2 THE WITNESS: Don't recall.

3 BY MS. WAXMAN:

4 Q. Did you believe that Ripple had an
5 obligation to accurately report the incident?

6 A. At the time, I don't recall having an
7 opinion about whether it needed to publicly
8 disclose. Been at the company about a month at that
9 point.

10 Q. Sitting here today, do you have an opinion
11 whether Ripple had an obligation to accurately
12 report the incident?

13 MR. FORD: Objection to form.

14 THE WITNESS: Don't have an opinion that a
15 private company has an obligation either way
16 about -- about this matter. It was a heavily
17 technical matter. The individuals that are involved
18 in it, [REDACTED] was the engineering manager in
19 charge of the Ripple D team. Himself and David
20 Schwartz were far more qualified to assess the
21 materiality of this technical issue.

22 BY MS. WAXMAN:

23 Q. Did you have an understanding that people
24 were concerned about publicly disclosing the bug?

25 MR. HECKER: Objection to form.

1 THE WITNESS: I don't recall.

2 MS. WAXMAN: Sorry.

3 Exhibit 19.

4 (Whereupon, Deposition Exhibit 19
5 was marked for identification.)

6 BY MS. WAXMAN:

7 Q. Mr. Will, I'm showing you what's been
8 marked as Exhibit 19, which is marked R -- which has
9 the Bates RPLI_SEC 0072060 through -65.

10 MR. HECKER: Counsel, is this document
11 attached to an email or does it appear on a
12 standalone basis in your files?

13 MS. WAXMAN: I think it appears both ways
14 in our record. It appears as an attachment, and it
15 probably likely appears as a standalone document.

16 Q. But, Mr. Will, if you need -- if you can't
17 answer the question, please let me know.

18 A. Okay.

19 Q. Mr. Will, do you know an entity called
20 Bittrex?

21 A. I believe they are an exchange of
22 cryptocurrency.

23 Q. Okay. And what is Exhibit -- what is
24 marked as Exhibit RW19?

25 A. I don't recall --

1 MR. FORD: Sorry, just, again, to be
2 clear, to the extent you can understand the context
3 of this based on this document, which it looks like
4 was sent via email, without the cover email, you
5 know, do your best to describe it with what
6 Ms. Waxman has shown you.

7 THE WITNESS: I don't recall this -- this
8 memo.

9 BY MS. WAXMAN:

10 Q. Okay. Did you ever have any
11 communications with Bittrex regarding the listing of
12 XRP on its platform?

13 A. I don't recall any direct communications
14 with Bittrex.

15 Q. Did you sign this letter?

16 A. Yes, I did.

17 Q. And would you have read the document
18 before you signed it?

19 A. It would be my normal practice to read a
20 letter before signing it.

21 Q. Okay. And did you draft this letter?

22 A. I don't believe I did.

23 Q. Did someone draft this for you on your
24 behalf?

25 A. It wouldn't be uncommon for a team of

1 individuals to draft a letter like this, and I would
2 review it and rely on their expertise before
3 signing.

4 Q. Who drafted this letter?

5 MR. FORD: Objection to form.

6 THE WITNESS: I don't recall.

7 BY MS. WAXMAN:

8 Q. And I know you don't recall the letter
9 specifically, but generally, what was the purpose of
10 this letter?

11 MR. HECKER: Objection to form.

12 Foundation.

13 THE WITNESS: I don't recall.

14 BY MS. WAXMAN:

15 Q. Was XRP traded on the Bittrex platform in
16 February 2018?

17 A. Don't recall.

18 Q. Was Ripple ask -- was Bittrex asking you
19 to provide information regarding XRP status under
20 the federal securities laws?

21 MR. FORD: Objection to form and, again,
22 I'm not sure if there's a cover email that would
23 provide that information.

24 Mr. Will, to the extent you know.

25 MS. WAXMAN: If he can't answer the

1 question based on the document, he'll let me know.

2 BY MS. WAXMAN:

3 Q. But if you can answer the question based
4 on what is in front of you, please do.

5 A. I don't recall the context in which we
6 sent this email I signed, or this memo.

7 Q. Are you familiar with any of the contents
8 in the document? I know you don't recall sending
9 it, but are any of the contents something that
10 you've ever discussed with anyone at Ripple?

11 A. I am familiar with some of the contents of
12 this letter.

13 Q. And which parts?

14 A. I'm familiar with Ripple's holding of XRP.

15 Q. Where are you pointing to? Oh, okay. The
16 bottom of page 2?

17 A. Mh-hmm. Portions of part 1, part 2A, and
18 some of part 2B.

19 Q. At the very top of the page, the second
20 paragraph --

21 MR. HECKER: Sorry, which page?

22 MS. WAXMAN: The first page. Sorry.

23 BY MS. WAXMAN:

24 Q. Can you read into the record the second
25 paragraph starting with "Addressing"?

1 A. "Addressing the substance of the
2 application, we believe it is important to clarify
3 basic tenets of digital asset XRP, namely that it is
4 not a product of Ripple and it is not a digital
5 asset that Ripple created or issued. We believe
6 these are important distinctions with respect to
7 Securities and Exchange Commission guidance on
8 cryptocurrencies and when certain tokens may be
9 considered securities as part of our communication
10 with you. We believe the genesis of XRP is an
11 important consideration."

12 Q. The first sentence, did you agree with
13 that statement that XRP is not a product of Ripple
14 and is not a digital asset that Ripple created or
15 issued?

16 A. At the time of this letter or now?

17 Q. At the time of this letter, let's start
18 there.

19 A. Yeah. I don't recall at the time of the
20 letter.

21 Q. And what about now?

22 A. I believe that XRP is not a product of
23 Ripple and it's not a digital asset that Ripple
24 created.

25 Q. Who created XRP?

1 MR. FORD: Objection to form.

2 THE WITNESS: The developers of XRP.

3 BY MS. WAXMAN:

4 Q. And aren't the developers of XRP the same
5 people who founded Ripple?

6 MR. FORD: Objection to form. Foundation.

7 THE WITNESS: My understanding was they
8 developed XRP before the founding of Ripple. There
9 was no Ripple when they founded XRP.

10 BY MS. WAXMAN:

11 Q. But is -- I understand that. But is there
12 overlap between the people who created Ripple and
13 the people who created -- people who created Ripple
14 and the people who created XRP?

15 MR. FORD: Objection to form.

16 THE WITNESS: I suppose. I -- I wasn't
17 there, but yes, looks that way.

18 BY MS. WAXMAN:

19 Q. Well, did you have an understanding of
20 who -- who founded Ripple at the time that you
21 joined Ripple?

22 A. When I joined Ripple, no. Shortly after,
23 I started understanding who founded Ripple.

24 Q. Okay. And do you have an understanding
25 now who were the founders of Ripple?

1 A. Yes.

2 Q. And who founded Ripple?

3 A. Chris Larsen and Jeb McCaleb.

4 Q. And -- and who created XRP?

5 MR. FORD: Objection to form. Asked and
6 answered.

7 THE WITNESS: Chris Larsen, Jeb McCaleb,
8 Arthur Britto, David Schwartz.

9 BY MS. WAXMAN:

10 Q. And the people who created XRP, did
11 they -- after they created it, did they move on to
12 join Ripple when it was founded?

13 MR. FORD: Objection to form.

14 THE WITNESS: I was not involved in August
15 of -- as this memo lays out, of 2012. But my
16 understanding was that Chris and Jeb founded Ripple
17 after the creation of XRP. And when I worked there,
18 David Schwartz was an employee of the company.

19 BY MS. WAXMAN:

20 Q. So there was overlap between the people
21 who created XRP and the people who founded the
22 company?

23 MS. DEARBORN: Objection to form.

24 THE WITNESS: It appears that way.

25 / /

1 BY MS. WAXMAN:

2 Q. At the very -- towards the bottom of the
3 second page, the paragraph that starts with "The
4 company," it says:

5 "The company continually
6 reviews the guidance provided by
7 regulators, including the SEC, and
8 has invested in and received a
9 legal memorandum from a reputable
10 law firm that supports a finding
11 that XRP is not a security under
12 U.S. law."

13 Did you have any understanding as to
14 whether Ripple had received a legal memo from a
15 reputable law firm supporting a finding that XRP is
16 not a security under U.S. law?

17 MR. FORD: So, again, to the extent your
18 understanding or your knowledge of those issues
19 derives from conversations you had with counsel, I'd
20 instruct you not to answer. But if you can answer
21 that question without revealing conversations you
22 had with counsel, you can answer.

23 THE WITNESS: I can't answer that question
24 for the reason that Chris provided.

25 / /

1 BY MS. WAXMAN:

2 Q. Did Ripple ever provide any third party
3 with a legal memo concerning XRP status under the
4 securities laws?

5 MR. FORD: Objection to form and same
6 instruction to the witness.

7 THE WITNESS: Don't recall.

8 BY MS. WAXMAN:

9 Q. The very top of the page under the heading
10 "Digital assets and SEC guidance," it says:

11 "We understand that whether or
12 not a digital asset may be
13 considered a security is an
14 important consideration for many in
15 the digital asset ecosystem and
16 especially exchanges that list
17 cryptocurrencies."

18 Did you have any understanding why this
19 was important consideration for digital asset
20 platforming?

21 MR. HECKER: Objection to form and, again,
22 same instruction about discussions with counsel.

23 THE WITNESS: I don't recall any -- any
24 thoughts at the time.

25 / /

1 BY MS. WAXMAN:

2 Q. Do you have any understanding currently as
3 to why this is an important consideration for
4 digital asset platforms?

5 MR. HECKER: Same instruction.

6 THE WITNESS: Not my area of expertise.

7 MS. WAXMAN: Exhibit 31.

8 (Whereupon, Deposition Exhibit 31
9 was marked for identification.)

10 BY MS. WAXMAN:

11 Q. Mr. Will, I'm showing you what's been
12 marked as RW31 which has the Bates RPLI_SEC 0861659
13 through -670.

14 Please take a look at it and let me know
15 when you're done.

16 ZOOM PARTICIPANT: Could you repeat the
17 exhibit number, please.

18 MS. WAXMAN: 31.

19 ZOOM PARTICIPANT: 31?

20 MS. WAXMAN: Correct.

21 THE WITNESS: Okay.

22 MR. FORD: Again, before we get started,
23 this appears to be a document sent by email, and so
24 we'll object to it to the extent you're not
25 providing him with the complete context of the

1 document.

2 Mr. Will, again, to the extent you can
3 answer Ms. Waxman's questions based on what's in
4 front of you.

5 BY MS. WAXMAN:

6 Q. Can you please identify for the record
7 what Exhibit RW31 is?

8 A. I don't recall this.

9 Q. Well, I know you don't recall the specific
10 document, but can you just tell me what it is?

11 MR. FORD: Objection to form.

12 MR. HECKER: Objection to form.

13 BY MS. WAXMAN:

14 Q. Is this a letter addressed to Bittrex
15 dated March 22nd, 2018?

16 A. This is a letter addressed to Bittrex
17 dated March 22nd, 2018.

18 Q. Did -- did you --

19 A. I don't know the context in which it
20 was -- it was sent in.

21 Q. Did you sign the letter?

22 A. I appear to have signed the letter, I do
23 not recall signing the letter.

24 Q. Did you read the letter before you signed
25 it?

1 A. It would be my normal practice to review
2 materials before signing that were put together by
3 others at Ripple.

4 Q. Did you have any discussions with anyone
5 at Ripple concerning Bittrex?

6 A. I don't recall.

7 Q. Did Ripple enter into any financial
8 transactions involving Bittrex?

9 MR. FORD: Objection to form.

10 THE WITNESS: I don't recall.

11 BY MS. WAXMAN:

12 Q. If you turn to the second page of the
13 document, paragraph 6, titled "Indemnification," did
14 Bittrex request that Ripple indemnify the company
15 for regulatory risk?

16 MR. FORD: Objection to form.

17 And, again, to the extent you can answer
18 that based on just this document?

19 THE WITNESS: I don't recall.

20 BY MS. WAXMAN:

21 Q. Did Bittrex ever express a concern that
22 XRP could be deemed a security under U.S. securities
23 laws?

24 MR. FORD: Objection to form.

25 THE WITNESS: I don't recall any direct

1 conversations I had with Bittrex.

2 BY MS. WAXMAN:

3 Q. If you turn to paragraph 8. 8B, it says:

4 "It is the company's position

5 that XRP does not meet the

6 definition of an investment

7 contract as that term has been

8 defined under the U.S. laws."

9 Did you ever communicate that view to

10 anyone at Bittrex?

11 MR. FORD: Objection to form.

12 THE WITNESS: I don't recall any

13 communication with Bittrex.

14 BY MS. WAXMAN:

15 Q. Did you ever discuss with anyone at Ripple

16 whether commodity regulations applied to XRP?

17 MR. HECKER: I'm sorry, at Ripple?

18 MS. WAXMAN: Yes.

19 MR. HECKER: Okay. So that question you

20 should exclude from your answer any discussions you

21 had with legal counsel about the regulatory

22 treatment of XRP, if any.

23 THE WITNESS: I don't recall any

24 conversations.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you have any conversations with anyone
3 about -- at Bittrex regarding whether the
4 commodities regulations apply to XRP?

5 MR. FORD: Objection. Form. Foundation.

6 THE WITNESS: I don't recall any direct
7 conversations with Bittrex.

8 BY MS. WAXMAN:

9 Q. Did you come to learn that others at
10 Ripple spoke to Bittrex about XRP status under the
11 securities laws?

12 A. I don't recall.

13 Q. Exhibit 20, please.

14 (Whereupon, Deposition Exhibit 20
15 was marked for identification.)

16 BY MS. WAXMAN:

17 Q. Mr. Will, I'm showing you what's been
18 marked RW20, which is a document with the Bates
19 RPLI_SEC 0398415 through -16.

20 A. Okay.

21 Q. What prompted you to send this email to
22 Mr. Garlinghouse?

23 MR. HECKER: Objection. Foundation.

24 THE WITNESS: I don't recall.

25 / /

1 BY MS. WAXMAN:

2 Q. In February 2018, did [REDACTED] take on a
3 role related specifically to XRP?

4 A. I don't recall.

5 Q. Why was there confusion between [REDACTED]
6 [REDACTED] role and Miguel's role?

7 MR. HECKER: Objection to form.

8 THE WITNESS: I don't recall.

9 BY MS. WAXMAN:

10 Q. In February 2018, was [REDACTED] directed
11 to tout XRP to potential institutional investors?

12 MR. HECKER: Objection to form.

13 Foundation.

14 THE WITNESS: Don't recall.

15 BY MS. WAXMAN:

16 Q. Excuse me?

17 A. Don't recall.

18 Q. What was -- did you have any understanding
19 of what [REDACTED] role would be in February 2018?

20 MR. HECKER: I'm sorry. What her role was
21 going to be? Do you mean in the future or what it
22 was at the time of this document? I apologize. I
23 didn't understand.

24 BY MS. WAXMAN:

25 Q. Did you have any understanding of what

1 Ms. Role -- [REDACTED] role was going to be
2 following this email?

3 A. I don't recall.

4 Q. Did you have an understanding of what was
5 meant by the title XRP institutional liquidity?

6 MR. HECKER: Objection to form.

7 You can answer.

8 THE WITNESS: I remember that we
9 classified XRP institutional liquidity as our
10 efforts around improving liquidity in XRP.

11 BY MS. WAXMAN:

12 Q. If you turn the page, there's a heading
13 that says "XRP institutional liquidity."

14 Are those -- do the subheadings accurately
15 describe what her role would be in connection with
16 XRP institutional liquidity?

17 MR. HECKER: Objection to form.

18 Foundation.

19 THE WITNESS: That appears to be her
20 proposal. I don't recall if that's the full extent
21 of what XRP institutional liquidity would have been
22 or what her role ended up being.

23 BY MS. WAXMAN:

24 Q. Did you have any reason to believe that
25 her role didn't include some sort of function in

1 connection with XRP institutional liquidity?

2 A. I don't recall.

3 MR. FORD: Objection to form.

4 BY MS. WAXMAN:

5 Q. The bottom of the email, you write:

6 "Reality is that with [REDACTED]

7 experience, she'll be more

8 effective in the XRP side than the

9 strategic IR function."

10 What did you mean by the XRP side?

11 A. I don't recall specifically.

12 Q. Did you mean that she should engage with

13 XRP potential investors?

14 MR. FORD: Objection to form.

15 THE WITNESS: Don't recall.

16 MS. WAXMAN: Exhibit 23, please.

17 (Whereupon, Deposition Exhibit 23

18 was marked for identification.)

19 THE WITNESS: Thank you.

20 BY MS. WAXMAN:

21 Q. Mr. Will, I'm showing you what's been
22 marked as RW23, which is a Bates -- a document with
23 the Bates RPLI_SEC 0325639 through -45.

24 A. Okay.

25 Q. What is Exhibit 23?

1 A. I don't recall the specific exhibit, but
2 appears an exchange between myself and the XRP
3 markets team.

4 Q. And are they providing you with certain
5 information?

6 A. They appear to be providing information
7 about the digital asset marketplace.

8 Q. Were they providing you an update about
9 XRP's -- XRP and the XRP market?

10 A. It appears that they are providing an
11 update on specifically around volume, XRP volume.

12 Q. And did you receive these -- these updates
13 daily?

14 A. I don't recall.

15 Q. And what was the purpose of -- of the
16 update regarding XRP volume?

17 MR. FORD: Objection to form.

18 THE WITNESS: I don't recall specifically
19 why this update was provided.

20 Q. Was XRP volume important to you?

21 A. XRP volume --

22 MR. FORD: Sorry, objection to form. I
23 didn't realize that was the end of the question.

24 THE WITNESS: XRP volume was important to
25 Ripple's products to ensure there was liquidity so

1 the products worked effectively.

2 BY MS. WAXMAN:

3 Q. Which products were -- was XRP liquidity
4 important for?

5 A. The product in 2018 was called xRapid.

6 Q. And in February 2018, had xRapid been
7 launched for commercial use?

8 MR. HECKER: Objection.

9 THE WITNESS: Don't recall.

10 MR. HECKER: Objection to form.

11 BY MS. WAXMAN:

12 Q. And what was -- did -- were there any
13 trans -- XRP transactions running through xRapid in
14 February 2018?

15 A. Don't recall, but it wouldn't be uncommon
16 to be thinking about a future product.

17 Q. So volume, but why was volume important at
18 the time in February 2018 when there was no
19 xRapid -- when xRapid had almost no volume?

20 MR. HECKER: Objection to form. He just
21 answered that question.

22 THE WITNESS: xRapid was on the product
23 roadmap. It was discussed. And so it wouldn't be
24 uncommon to make sure that the conditions that a
25 product would be successful would be discussed

1 before the product was publicly released.

2 BY MS. WAXMAN:

3 Q. Was volume also important so that Ripple
4 could continue to sell XRP chatter into the market?

5 MR. HECKER: Objection to form. Asked and
6 answered.

7 THE WITNESS: Volume was a component of
8 Ripple's ability to sell XRP.

9 BY MS. WAXMAN:

10 Q. And if the volume dried up, could -- would
11 Ripple still be able to sell it to XRP?

12 MR. FORD: Objection to form.

13 THE WITNESS: Ripple typically, during the
14 time period I was there, sold a percentage of
15 volume. So it would impact, potentially, the amount
16 of XRP that could be sold.

17 BY MS. WAXMAN:

18 Q. On -- on the page with the Bates 0325643,
19 in the middle of the page, you write:

20 "The most concerning number on
21 the pages are volume."

22 Why was volume most concerning to you?

23 MR. FORD: Objection to form and to the
24 characterization of the document.

25 THE WITNESS: I don't recall specifically

1 why XRP volume was the most concerning.

2 BY MS. WAXMAN:

3 Q. Were there any other factors about --
4 other factors that were important to you when
5 considering Ripple's XRP sales?

6 MR. HECKER: Objection to form. Are you
7 now going away from this document?

8 MS. WAXMAN: Yes.

9 MR. HECKER: Okay.

10 THE WITNESS: Were there any other
11 factors -- make sure I understand the question.
12 Were there any other factors other than volume?

13 BY MS. WAXMAN:

14 Q. Yeah.

15 A. Yes.

16 Q. And what other factors were important to
17 Ripple in the context of its sales?

18 A. I don't recall all the factors that we
19 would consider since I left the company a year ago.
20 But we would consider things such as overall market
21 dynamics in the cryptocurrency marketplace.

22 Q. And what do you mean by market dynamics?

23 A. Bid-ask spread, public announcements being
24 made by public or industry executives, things like
25 that.

1 Q. How would announcements by industry
2 executives impact Ripple's decisions with respect to
3 its XRP sales?

4 A. If Jamie Dimon makes a public statement
5 about Bitcoin, it could -- it could impact our
6 decision-making about what we -- what we do at a
7 given point if we want to work with Jamie Dimon in
8 the future or -- it's just a factor that we would
9 consider.

10 Q. Would it relate to any -- would it -- how
11 would that relate to how much XRP Ripple would sell,
12 a public announcement by an industry executive?

13 A. It --

14 MR. HECKER: Wait. Sorry. Objection to
15 the form of the question. Now you're asking about
16 how much to sell as opposed to just factors you'd
17 consider in connection with selling?

18 BY MS. WAXMAN:

19 Q. Well, I'll ask another question.

20 How did announcements in the market factor
21 into Ripple's decision-making about how much XRP
22 would sell?

23 MR. HECKER: Objection to form.

24 THE WITNESS: We would consider the
25 conditions in the marketplace. So those could be a

1 factor that we would take into consideration.

2 BY MS. WAXMAN:

3 Q. And if there was an increase in XRP
4 trading volume, would you increase Ripple's sales of
5 XRP?

6 MR. FORD: Objection to form.

7 MR. HECKER: Objection to form.

8 THE WITNESS: Our sales of XRP were
9 typically governed by a combination of the budget
10 that we had allocated towards XRP sales for that
11 time period as well as the overall percentage of
12 volume as well as other factors that we had going on
13 at that time period. There could be market dynamics
14 that we would also consider.

15 BY MS. WAXMAN:

16 Q. And what market dynamics. Would you
17 sell -- sorry -- strike that.

18 What market dynamics?

19 A. What was going on in the marketplace. So
20 we wouldn't just blindly sell into the marketplace.
21 We would be thoughtful about how we would and -- and
22 why and the amounts that we would sell.

23 Q. If there was a rally for XRP, would you
24 recommend selling more XRP into the market?

25 MR. FORD: Objection to form.

1 THE WITNESS: It would be -- if there was
2 a rally in XRP, we would definitely discuss what the
3 implications are of our current sales, at that point
4 in time.

5 BY MS. WAXMAN:

6 Q. And what would the implications be if
7 there was a rally in XRP?

8 MR. HECKER: Objection to form.

9 THE WITNESS: Since we were typically
10 focused on the dollar amount, if by "rally," you
11 mean the price would increase, we would reduce the
12 amount of XRP that we would sell in terms of units.

13 BY MS. WAXMAN:

14 Q. I'm -- when I talk about rally, I'm also
15 thinking about an increase in trade volume.

16 A. Are you talking specifically --

17 MR. FORD: Sorry, there isn't a question
18 pending.

19 BY MS. WAXMAN:

20 Q. How would an increase in trade volume
21 impact Ripple's decision making regarding its XRP
22 sales?

23 MR. FORD: Objection to form.

24 THE WITNESS: If there was an increase in
25 trade volume, we would likely need to sell less over

1 a specific time period to achieve our cash flow
2 goals.

3 BY MS. WAXMAN:

4 Q. Would you recommend that Ripple reduce its
5 positions?

6 MR. FORD: Objection to form.

7 MR. HECKER: Objection to form.

8 THE WITNESS: Reduce -- on what -- on what
9 metric.

10 BY MS. WAXMAN:

11 Q. Would you recommend Ripple reduce the
12 percentage of trade volume that it was selling?

13 MR. HECKER: Objection to form.

14 THE WITNESS: It might be -- it might come
15 up in the conversation. We may stop our sales if we
16 hit our cash flow goal. We may consider -- we would
17 consider the totality of the factors if we were, if
18 we had a change in circumstance, if we were
19 considering a large acquisition, if there was some
20 other dynamic, we might adjust our forecast and the
21 directions that we were giving to the team to sell
22 XRP.

23 BY MS. WAXMAN:

24 Q. If you had a large acquisition and Ripple
25 needed more cash, would you instruct the team to

1 sell more?

2 MR. HECKER: Objection to form.

3 MR. FORD: Objection to form.

4 MR. HECKER: Foundation.

5 THE WITNESS: We may consider it depending
6 on the impact on the market. I think the overall
7 goal was to make sure that there was a natural
8 balance of supply and demand so that Ripple's
9 activities wouldn't unduly impact the XRP price. So
10 it would be a factor we discussed. That would be
11 normal course.

12 BY MS. WAXMAN:

13 Q. If Ripple had an opportunity to increase
14 its sales without impacting the market, is that
15 something that the team would have recommended?

16 MR. HECKER: Objection to form.

17 THE WITNESS: That would be something that
18 might be discussed, but I don't know unless I knew
19 all the factors that were occurring at that moment,
20 what our recommendation would be.

21 MS. WAXMAN: Exhibit 25, please.

22 Actually, Exhibit 22.

23 (Whereupon, Deposition Exhibit 22
24 was marked for identification.)

25 / /

1 BY MS. WAXMAN:

2 Q. Mr. Will, I'm showing you what's been
3 marked as RW22, which is a document with the Bates
4 stamp RPLI_SEC 0037144.

5 A. Okay.

6 Q. Do you know who [REDACTED] is?

7 A. [REDACTED] the COO, CFO of [REDACTED].

8 Q. Was [REDACTED] a Ripple shareholder?

9 A. They were a Ripple shareholder.

10 Q. Okay. And was he asking you about how to
11 value their equity -- Ripple equity position in
12 2017?

13 A. I don't recall this email, but that's what
14 he appears to be asking.

15 Q. Mh-hmm. And at the time, how did you
16 respond?

17 A. I would just read the email. I don't
18 recall the email.

19 Q. In 2018, did you have an understanding --
20 or did you -- did you have any view as to how Ripple
21 should value itself?

22 MR. HECKER: In February, like at the time
23 of this.

24 THE WITNESS: Yeah. Four months after I
25 joined, I was still in learning mode and formulating

1 a thesis about how to look at the equity of Ripple.

2 BY MS. WAXMAN:

3 Q. And what was your understanding of how to
4 view the equity of Ripple?

5 MR. FORD: Objection to form.

6 THE WITNESS: I discuss that we haven't
7 really dug into it, and beyond this high-level
8 framework that I propose -- haven't really thought
9 about it. And I provided our 409A valuation.

10 BY MS. WAXMAN:

11 Q. You said you were still in learning mode
12 in February 2018. At what point did you exit
13 learning mode and did you feel that you were up and
14 running, so to speak?

15 A. On what topic?

16 Q. On any topic at Ripple.

17 MR. HECKER: Objection to form.

18 MR. FORD: Objection to form.

19 THE WITNESS: I still don't know much
20 about cryptocurrency, so, you know, I think in the
21 areas of my responsibility, depending on the topic.
22 It's a complex and evolving area around accounting
23 treatment, around budgeting, around tax. So it
24 depends on the area, the specific area.

25 / /

1 BY MS. WAXMAN:

2 Q. In February 2018, did you have -- did you
3 believe that Ripple -- Ripple's valuation was based
4 on its XRP holdings?

5 MR. FORD: Objection to form.

6 THE WITNESS: As of what date? As of the
7 date of this email?

8 BY MS. WAXMAN:

9 Q. Yes.

10 A. According to this email, which I don't
11 recall, it appears that was what I was proposing as
12 a high-level framework.

13 Q. And why did you propose that as a
14 high-level framework at the time?

15 MR. FORD: Objection to form.

16 THE WITNESS: I don't recall.

17 BY MS. WAXMAN:

18 Q. Do you understand what fiduciary -- what
19 company fiduciary duties are?

20 A. At a high level, yes.

21 Q. And did Ripple have a fiduciary duty to
22 its shareholders to maximize shareholder value?

23 MR. HECKER: Objection to form. Calls for
24 a legal conclusion.

25 THE WITNESS: Yes.

1 BY MS. WAXMAN:

2 Q. And how would Ripple maximize its
3 shareholder value in February 2018?

4 MR. HECKER: Objection to form.

5 THE WITNESS: I don't recall specific to
6 February 2018 how we would maximize shareholder
7 value.

8 BY MS. WAXMAN:

9 Q. In general, did you have an understanding
10 of how Ripple could maximize shareholder value?

11 A. In general, yes.

12 Q. Yeah. How?

13 A. Ripple would maximize shareholder value
14 by -- as a -- as a kind of finance theory matter,
15 achieving a -- a -- a higher return on its -- on its
16 assets than -- than its cost of capital.

17 Q. And what were Ripple's assets at the time?

18 A. It had the technology it developed around
19 RippleNet. It had cash. And it had XRP.

20 Q. And how would the company increase the
21 value of its XRP?

22 MR. FORD: Objection to form.

23 THE WITNESS: XRP price is determined in
24 an open market, so I didn't have a lot of thought
25 about it, how the price of XRP would be maximized by

1 Ripple's efforts.

2 BY MS. WAXMAN:

3 Q. If Ripple's value was based primarily on
4 its holdings and Ripple had a duty to maximize value
5 for shareholders, why didn't you think about how to
6 maximize XRP price.

7 MR. HECKER: Objection to form.

8 THE WITNESS: Because the price of XRP is
9 determined in an open market that multiple
10 participants participate in.

11 BY MS. WAXMAN:

12 Q. Did Ripple take any efforts to maximize
13 shareholder value by trying to increase XRP's price?

14 MR. FORD: Objection to form.

15 THE WITNESS: Not that I'm aware of.

16 BY MS. WAXMAN:

17 Q. What efforts did Ripple take to maximize
18 shareholder value?

19 MR. FORD: Objection to form.

20 THE WITNESS: We tried to use the
21 resources we had, whether venture capital funding or
22 the XRP to develop products that we thought would
23 create long-term value for shareholders.

24 BY MS. WAXMAN:

25 Q. And how did the resources from venture

1 capital's funding create -- create shareholder
2 value?

3 MR. HECKER: Objection to form.
4 Foundation.

5 THE WITNESS: Our view was by increasing
6 the number of participants on RippleNet and the
7 level of activity and volume of transactions on
8 RippleNet, that we would increase shareholder value.
9 BY MS. WAXMAN:

10 Q. How would increasing the number of
11 transactions increase shareholder value?

12 A. As the owner of the payment network,
13 RippleNet, by increasing the volume of activity, you
14 would increase the value of Ripple's assets.

15 Q. Would the increased volume increase demand
16 for XRP?

17 MR. FORD: Objection to the form.

18 THE WITNESS: It could be a component
19 depending on the -- the network.

20 BY MS. WAXMAN:

21 Q. Did -- did Ripple have an understanding
22 that increased demand in XRP would lead to increased
23 price --

24 MR. FORD: Objection --

25 / /

1 BY MS. WAXMAN:

2 Q. -- for XRP?

3 MR. HECKER: Objection to form.

4 THE WITNESS: At a high level, increased
5 demand of any asset, whether it's equity or currency
6 or cryptocurrency is going to result in the price
7 going up.

8 BY MS. WAXMAN:

9 Q. Specifically, did people have that belief
10 with respect to XRP?

11 MR. FORD: Objection to form.

12 THE WITNESS: I can't speak to people's
13 beliefs.

14 BY MS. WAXMAN:

15 Q. Did you believe that increased demand in
16 XRP would lead to an increase in price?

17 MR. FORD: Objection.

18 THE WITNESS: As a finance executive, I
19 believe that increased demand, all other things
20 being equal, will increase the price of that asset.

21 BY MS. WAXMAN:

22 Q. As the CFO, did you believe that Ripple
23 should engage in efforts that would increase the
24 price of XRP so that Ripple could maximize
25 shareholder value for its shareholders?

1 MR. HECKER: Objection to form of the
2 question.

3 THE WITNESS: As CFO, I believed our
4 efforts should be focused on increasing volume of
5 activity on RippleNet and the value of our other
6 investments.

7 BY MS. WAXMAN:

8 Q. But the volume on RippleNet would
9 ultimately lead to increased demands in XRP --

10 MR. HECKER: Objection --

11 BY MS. WAXMAN:

12 Q. -- correct?

13 MR. HECKER: Objection to the form of that
14 question. Asked and answered.

15 THE WITNESS: Increased volume of XRP
16 would result in a more efficient RippleNet.

17 BY MS. WAXMAN:

18 Q. Which would increase the value of Ripple's
19 shareholders stake.

20 MS. WAXMAN: Exhibit 25. Please.

21 (Whereupon, Deposition Exhibit 25
22 was marked for identification.)

23 BY MS. WAXMAN:

24 Q. I'm showing you what's been marked as
25 RW25, which is a document with the Bates 0393381.

1 MR. FORD: Again, just an objection to
2 providing this document without its attachment.

3 THE WITNESS: Okay.

4 BY MS. WAXMAN:

5 Q. What is this email about?

6 A. I don't specifically recall this email,
7 but it appears to be a response from me to Zoe Cruz
8 about -- I'm assuming the 409A valuation that we
9 provided to her.

10 Q. Did you ever have any discussions with
11 Ms. Cruz regarding contingency plans for the company
12 should XRP volume dry up?

13 MR. HECKER: Objection to form.

14 THE WITNESS: I don't recall.

15 BY MS. WAXMAN:

16 Q. Did you ever discuss any contingency plans
17 with anyone else at the company?

18 MR. HECKER: Objection to form.

19 THE WITNESS: It would be normal practice
20 as part of a finance team to run multiple scenarios
21 of your budget, your forecast.

22 BY MS. WAXMAN:

23 Q. Did the company have any contingency plans
24 should XRP volume dry up or get very low?

25 MR. HECKER: Objection to form.

1 THE WITNESS: I don't recall.

2 BY MS. WAXMAN:

3 Q. Did others at the company also express the
4 view that Ripple needed to get XRP volume and
5 liquidity up?

6 MR. FORD: Objection to form.

7 THE WITNESS: I don't recall.

8 BY MS. WAXMAN:

9 Q. Did you -- did senior leadership at Ripple
10 also have the view that Ripple needed to get XRP
11 volume and XRP liquidity up?

12 MR. FORD: Objection to form.

13 THE WITNESS: We had discussions. I don't
14 specifically recall them, but we had discussions
15 around increasing the liquidity of XRP, particularly
16 in the markets where we were rolling out xRapid.

17 BY MS. WAXMAN:

18 Q. And when were those discussions related to
19 xRapid?

20 A. They happened -- I don't specifically
21 recall, but they happened during, I believe, 2018,
22 2019.

23 Q. And -- let's look at something.

24 Exhibit 146.

25 / /

1 (Whereupon, Deposition Exhibit 146
2 was marked for identification.)

3 BY MS. WAXMAN:

4 Q. We've been talking a lot about xRapid and
5 its timing and how many transactions were running
6 through XRP -- through xRapid at the time. So I
7 want to show you some metrics for xRapid.

8 Showing you a document that's been marked
9 Exhibit RW146, which has the Bates 0582856.

10 Do you recognize what's on the second page
11 of this document?

12 A. I believe it's our finance dashboard or a
13 section, a portion of our finance dashboard.

14 Q. And what is -- and how do you use the
15 information that's in the -- on this chart?

16 A. This provides information about operating
17 metrics for the company.

18 Q. And it has three different sections. It
19 says "Production deals signed," "Production deals
20 deployed," and then "Cumulative counterparty
21 payers."

22 What is the difference between a -- a
23 signed deal and a deployed deal?

24 A. Signed deal is when we had a signed
25 contract with either a bank, a payment provider,

1 depending on the product. A deployed deal is when
2 we had a certain number of transactions. I
3 specifically forget. I don't recall what the number
4 of transactions that were required to achieve
5 deployment but -- to be considered deployed, but it
6 was when our software was implemented and they were
7 in a production environment.

8 Q. And how many -- and what is -- is ODL a
9 reference to xRapid?

10 A. ODL -- xRapid, if I recall correctly,
11 became ODL.

12 Q. Okay. And how many deals were deployed in
13 connection with xRapid in 2016?

14 A. Looks like none.

15 Q. And how many deals were signed in
16 connection with xRapid in 2016?

17 A. Looks like none.

18 Q. And same questions for 2017. How much
19 deals were deployed for xRapid in 2017?

20 A. None.

21 Q. And how many deals were signed for xRapid
22 in 2017?

23 A. None.

24 Q. And in 2018, how many deals were signed
25 for xRapid?

1 A. Eleven.

2 Q. And in 2018, how many deals were deployed
3 for xRapid?

4 A. Looks like two.

5 Q. And which customers were using -- which
6 two customers were -- had actual transactions with
7 xRapid in 2018?

8 A. I don't recall.

9 Q. So going back to that email in Exhibit 25,
10 were there -- does this refresh your memory whether
11 there were xRapid -- whether there was actual
12 transaction volume in XRP in connection with xRapid?

13 MR. HECKER: Objection to form.
14 Foundation.

15 THE WITNESS: I'm not clear which -- which
16 email. 25?

17 BY MS. WAXMAN:

18 Q. Yeah. I mean, I asked you why the company
19 needed to get XRP volume and liquidity up, and you
20 said it was in connection with xRapid. But I think,
21 at that point, xRapid really had very little volume,
22 from what we can tell.

23 MR. HECKER: Counsel, he's -- he's
24 literally testified four or five times today that it
25 was on a product ramp and where you'd be focused on

1 increasing liquidity for purposes of the product in
2 development. I mean, are we going to do this every
3 time?

4 MS. WAXMAN: Yes.

5 MR. HECKER: I feel like it's like a
6 ridiculous waste of time. He's literally already
7 given you that answer five times today. Maybe I'm
8 undercounting.

9 BY MS. WAXMAN:

10 Q. Do you have an answer?

11 A. As part of a client signing a deal, they
12 would want to see that the product could work in an
13 environment. So if we didn't build the liquidity in
14 the emerging markets, we would never be able to sign
15 deals with any clients. So clients need to see the
16 volume and have confidence that the product would
17 work before signing up for ODL.

18 Q. So the volume predated the actual use of
19 the product? You needed to ramp up the volume
20 before someone could actually use the product; is
21 that what you're saying?

22 A. I would say that that was part of the
23 general thesis of the environment that we needed to
24 create. These are banks and payment providers who
25 do not sign contracts unless they are confident a

1 product works. And so they want to see the
2 conditions that allow a product to work before they
3 are signing a deal.

4 Q. And what conditions were needed in order
5 for the xRapid product to work?

6 A. Sufficient liquidity in the currency pairs
7 that they were concerned about. So it depended on
8 the specific client, but they would want to see
9 sufficient volume in XRP and the currency pairs that
10 they are concerned about before they would sign a
11 production deal.

12 Q. So in the ramp up to xRapid, in the
13 lead-up of developing that product, did Ripple
14 engage in efforts to increase liquidity and volume
15 of XRP in certain corridors?

16 A. I don't specifically recall. That
17 wouldn't report up to me. But it would not surprise
18 me.

19 Q. And who would be responsible for that?

20 A. Whoever was running the product during
21 that time period would typically be responsible for
22 that.

23 Q. And why doesn't that surprise you that
24 someone at Ripple would have that function?

25 A. That function or --

1 Q. Why doesn't it surprise you that someone
2 would be engaging in efforts to increase XRP volume
3 and liquidity?

4 MR. HECKER: Objection to form.

5 THE WITNESS: Because it would be critical
6 for the product to work effectively for our
7 customers.

8 MS. WAXMAN: Let's take a break. It's
9 3:00 o'clock. 3:03.

10 THE VIDEOGRAPHER: We're going off the
11 record. The time is 3:03 p.m.

12 (Whereupon, a recess was taken.)

13 THE VIDEOGRAPHER: Back on the record.
14 The time is 3:17 p.m.


15 MS. WAXMAN: Exhibit 27.

16 (Whereupon, Deposition Exhibit 27
17 was marked for identification.)

18 BY MS. WAXMAN:

19 Q. Mr. Will, I'm showing you what's been
20 marked as RW27, which is a document with the Bates
21 RPLI_SEC 0398398.

22 A. Okay.

23 Q. Did Ripple ever hire 

24 A. I don't recall.

25 Q. Was there any discussion about potentially

1 hiring [REDACTED]?

2 A. Don't recall.

3 Q. Did you ever discuss with [REDACTED]

4 hiring [REDACTED]?

5 MR. HECKER: Objection to form.

6 THE WITNESS: I don't recall.

7 BY MS. WAXMAN:

8 Q. In the middle of the page, [REDACTED]
9 he's talking about operational benefits of using
10 XRP. Is that your understanding?

11 A. It appears so. I don't specifically
12 recall this email exchange but that's what it
13 appears to say.

14 Q. Towards the end of his email, at 12:16 he
15 says:

16 "I think the end result of
17 that analysis will be that we have
18 a lot of wood to chop before we
19 could credibly talk about providing
20 an operational benefit to one of
21 these targets with respect to XRP."

22 Did you know what he's talking about
23 there? Did you have an under- -- strike that.

24 Did you have an understanding of what he
25 was talking about?

1 A. Not specifically.

2 Q. And in March 2018, did you have an
3 understanding of what benefit certain parties could
4 get from using XRP?

5 A. From using xRapid, one of our products,
6 yes.

7 Q. And what -- how -- what were the benefits
8 of using xRapid?

9 A. Benefits of using xRapid was more
10 efficient cross border currency transfer.

11 Q. And how did Ripple measure that
12 efficiency?

13 MR. FORD: Objection to form.

14 THE WITNESS: We looked at a variety of
15 factors. It depended on the customer. Some
16 customers valued the 24/7 nature of xRapid. Some
17 customers valued the lack of a requirement to
18 prefund an account. So the working capital benefit
19 of xRapid. So it depended on the customer.

20 BY MS. WAXMAN:

21 Q. And when you're talking about benefits
22 related to xRapid, are you talking about in
23 March 2018 or at some other time?

24 A. I don't specifically recall in 2018
25 whether I -- those -- whether it was limited to

1 those benefits or there were other benefits or that
2 was a subset of benefits, but those were the
3 benefits of xRapid, that I understood.

4 Q. Did you agree with his statement that
5 Ripple had a lot of wood to chop before the company
6 could credibly talk about providing operational
7 benefits in connection with xRapid?

8 A. I don't recall this email exchange, so
9 I -- I don't know if I agreed or disagreed at the
10 time of the email.

11 Q. Separate and apart from this email, did
12 you have an understanding of what benefits would
13 come from xRapid in or around this March 2018?

14 MR. FORD: Objection to form.

15 THE WITNESS: I don't recall in March of
16 2018 exactly what factors I was considering around
17 operational benefits of xRapid.

18 BY MS. WAXMAN:

19 Q. Your email to him says -- it says:

20 "I'm in a rate guarantee
21 meeting - we're talking about
22 [REDACTED] monthly guarantee for
23 [REDACTED] to get them more
24 aggressive, foster deeper liquidity
25 in XRP markets in Mexico, et

1 cetera - before we do any
2 acquisition, why not just throw
3 money at customers already using
4 us."

5 Were you being sarcastic or was that
6 something you supported doing?

7 MR. FORD: Objection to form.

8 THE WITNESS: I don't specifically recall
9 this, but I believe I was being sarcastic. [REDACTED]

10 [REDACTED] and I had known each other at this point for
11 seven, eight years prior to Ripple. Wouldn't
12 surprise me if we had a certain rapport.

13 BY MS. WAXMAN:

14 Q. Did Ripple, in your words, throw money at
15 customers in order to increase use or adoption of
16 XRP?

17 MR. FORD: Objection.

18 THE WITNESS: At start-ups, it's not
19 uncommon that -- to increase an existing customer's
20 activity with the company that you would provide
21 additional incentives, perhaps, is what this looks
22 like. One of the roles of the finance department is
23 to push back on situations like that to make sure
24 there's some rigor in the decision-making.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you ever push back on any
3 recommendations that Ripple provide certain
4 financial incentives to customers?

5 A. I don't recall any specific examples, but
6 that would be a normal part of my role as CFO to
7 consider the financial cost as well as the financial
8 benefit of a specific transaction.

9 MS. WAXMAN: Exhibit 30, please.

10 (Whereupon, Deposition Exhibit 30
11 was marked for identification.)

12 ZOOM PARTICIPANT: What is the number of
13 the exhibit?

14 MS. WAXMAN: 30.

15 ZOOM PARTICIPANT: Thank you.

16 BY MS. WAXMAN:

17 Q. Mr. Will, I'm showing you what's been
18 marked as RW30, which is a document with the Bates
19 RPLI_SEC 0393421 through -423.

20 A. Okay.

21 Q. Now, do you recognize the email at the
22 very end from GSR?

23 A. I don't recall that specific email, but I
24 recall that GSR would send us daily and weekly
25 updates that sometimes would get passed along to me.

1 Q. And the daily updates pertaining to
2 Ripple's sales of XRP?

3 A. I believe so.

4 Q. And did you receive the daily updates
5 directly, or was this forwarded to you by somebody?

6 A. I don't recall.

7 Q. You don't recall if you got daily updates
8 from GSR regarding Ripple's XRP sales?

9 A. It would be uncommon that a CFO would get
10 a daily update directly when we had an XRP markets
11 team that was responsible for pulling this
12 information together --

13 Q. And who --

14 A. -- for us.

15 Q. Sorry.

16 Who would have forwarded this information
17 to you?

18 A. Could have been anyone on the XRP markets
19 team that passed this along.

20 Q. And when would they pass -- when would
21 they pass this information to you?

22 MR. FORD: Objection to form.

23 THE WITNESS: It -- it could be any reason
24 that they pass this along to me. I don't
25 specifically recall why in this situation they did.

1 Could just be to keep me in the loop, or it could be
2 because it was a -- a quarter end summary, it
3 appears, or at least close to quarter end summary
4 that was provided in this email.

5 BY MS. WAXMAN:

6 Q. Did you ever ask to receive updates
7 concerning GSR sales of Ripple's XRP?

8 A. I typically received summary level
9 information, but I could have. I don't recall
10 specifically, though, asking for GSR level detail.
11 I may have, though.

12 Q. And when did you receive summary level
13 information?

14 A. The XRP markets meeting on a weekly basis.
15 So we would always receive information there,
16 sometimes before the meeting, always during the
17 meeting.

18 Q. Okay. And did you make a recommendation
19 regarding Ripple's XRP sales after you had received
20 the information about GSR's XRP sales?

21 A. It appears so. I don't recall that
22 specific recommendation or email exchange.

23 Q. And who was the recommendation made to?

24 A. It appears to be made to Brad
25 Garlinghouse, CEO.

1 Q. And what was the recommendation?

2 A. The recommendation was this was discussed
3 at our one-on-one, potentially increasing the amount
4 we sell on a daily basis.

5 Q. And why did you make the recommendation to
6 increase the amount of Ripple's XRP sales on a daily
7 basis?

8 MR. FORD: Objection to form. Misstates
9 the testimony.

10 THE WITNESS: I don't recall specifically
11 why, but it would be in the normal course of
12 business that a CFO and a CEO would discuss a
13 component of the business like this and go back and
14 forth on potential ideas.

15 BY MS. WAXMAN:

16 Q. Was there any reason why Mr. Garlinghouse
17 would not want to move forward with the CFO's
18 recommendation?

19 MR. HECKER: Objection to form.

20 BY MS. WAXMAN:

21 Q. Or strike that.

22 Was there any reason why Mr. Garlinghouse
23 would not want to move forward with the
24 recommendation to increase the amount of Ripple's
25 XRP sales?

1 MR. HECKER: Objection to form.

2 THE WITNESS: I don't specifically recall,
3 but there could be a variety of reasons why he -- he
4 wouldn't want to. And the purpose of this was to
5 discuss and make sure we were aligned on the path
6 forward.

7 BY MS. WAXMAN:

8 Q. Did he -- did -- were there any concerns
9 that you ever discussed with him concerning
10 increasing XR- -- Ripple's XRP sales?

11 MR. HECKER: Objection to form.

12 THE WITNESS: As part of my weekly
13 interaction with Brad, one of my responsibilities
14 was to discuss elements of our business, and XRP
15 sales was a component of that. So we naturally
16 discussed alternatives on a frequent basis.

17 BY MS. WAXMAN:

18 Q. Was Mr. Garlinghouse concerned about
19 disclosing increased sales of XRP by Ripple?

20 MR. HECKER: Objection to form.

21 MR. FORD: Objection to form.

22 THE WITNESS: You'd need to ask Brad. I
23 don't -- I don't specifically know if he was
24 concerned.

25 / /

1 BY MS. WAXMAN:

2 Q. Did you have an understanding that he had
3 a concern about disclosing increased sales of XRP by
4 Ripple?

5 MR. HECKER: Same objection.

6 THE WITNESS: The information as well as
7 the specific activity related to increased sales was
8 a factor that we considered in our activities.

9 BY MS. WAXMAN:

10 Q. You say the information as well as the
11 specific activity was a factor that Ripple
12 considered.

13 What do you mean by "the information"?

14 A. The information that Ripple had increased
15 the amount of its sales from its prior level would
16 be part of the information that we considered.
17 Would the XRP marketplace try to glean some
18 information, since we publicly disclosed voluntarily
19 our disclosure of XRP sales, would they glean some
20 information about Ripple from the fact that we had
21 increased our sales.

22 Q. So --

23 A. So we took that into consideration as part
24 of our analysis always.

25 Q. So the information you're talking about is

1 the specific disclosure Ripple would make in
2 connection with its sales of XRP?

3 MR. HECKER: Objection to form.

4 THE WITNESS: It would be the fact that we
5 would disclose it as well as what the response of
6 the market may be and what people may read into that
7 change in behavior that we would consider.

8 BY MS. WAXMAN:

9 Q. Okay. And what response by the market
10 did -- was concerning to Ripple?

11 MR. FORD: Objection to form.

12 THE WITNESS: I wouldn't say that it -- it
13 was concerning. I would say that it was a factor we
14 considered. If it provided information perhaps that
15 we were going to make a large investment, we would
16 want to consider whether people would read into that
17 increased amount of sales as an indication that we
18 were about to do something strategic, for example.
19 So it could have a positive or a negative effect on
20 the market depending on the information that the
21 marketplace took from it.

22 BY MS. WAXMAN:

23 Q. Could the market view the increased sales
24 by Ripple as Ripple dumping its XRP on the market?

25 MR. HECKER: Objection to form.

1 THE WITNESS: We had communicated to the
2 market that we were committed to be a -- a
3 responsible steward, but they -- they could
4 possibly, so it was part of our decision-making
5 factors to think about what the market may perceive
6 from any of Ripple's activities, as well as any
7 other participant in the marketplace's activities.

8 BY MS. WAXMAN:

9 Q. You said Ripple had communicated to the
10 market to be a responsible steward. What does that
11 mean? What -- what's your understanding of what
12 that means?

13 A. As a -- as a large holder of XRP, we took
14 that to mean that we took that responsibility
15 seriously.

16 Q. What responsibility?

17 A. The responsibility to not impact the price
18 of XRP differently than natural supply and demand.

19 Q. At the top email, what are you writing to
20 Brad?

21 A. I don't specifically recall the email, but
22 I lay out a variety of factors and considerations.

23 Q. For what?

24 A. For discussion.

25 Q. About whether or not to increase Ripple's

1 sales of XRP at that time?

2 A. For overall consideration about our XRP
3 strategy, XRP sales strategy, yes.

4 Q. And did you tell him that you would
5 increase sales but monitor the sales so they would
6 have limited impact on XRP price?

7 MR. FORD: Objection to form.

8 THE WITNESS: I did not say that I would.
9 I said that one thing we could consider was the
10 intent, I believe, as I read this, that we could --
11 we could structure this many ways.

12 BY MS. WAXMAN:

13 Q. And in -- in the -- under the third bullet
14 you say:

15 "Increasing rate could help
16 fund small (acqui-hire)
17 acquisitions as well as tax
18 liabilities (large XRP grants as
19 well as any, quote, unquote, Chris
20 transactions that result in cash
21 tax liabilities such as [REDACTED] or
22 Coil)." Coil)." [REDACTED]

23 What do you mean when you say, "Chris
24 transactions"?

25 A. I don't recall specifically what I meant

1 by that.

2 Q. Do you recall generally what you mean by
3 "Chris transactions"?

4 A. No.

5 Q. You say a couple of bullets down:

6 "We will be below our
7 expenses rate by the end of the
8 year."

9 Did you believe that the increase in
10 Ripple sales would -- was needed to cover Ripple's
11 expenses --

12 MR. FORD: Objection --

13 BY MS. WAXMAN:

14 Q. -- at that time?

15 MR. FORD: Objection to form.

16 THE WITNESS: I don't remember
17 specifically in early 2018. I had been at the
18 company roughly five months. But as CFO, one of the
19 considerations is always having sufficient funding
20 to continue to execute.

21 BY MS. WAXMAN:

22 Q. At that time, had -- was Ripple's expenses
23 increasing?

24 A. We were -- if I remember correctly, I
25 don't recall the specifics, but we were hiring a

1 significant amount of engineering and product talent
2 to build out RippleNet at that time.

3 Q. At any point, did you recommend that
4 Ripple raise -- try to raise the amount of money it
5 got from software sales?

6 A. I'm sure I did, as well as venture capital
7 fundraising and other sources of fundraising. I
8 propose this kind of normal course of my discussions
9 with Brad and the board.

10 Q. Okay. And you propose to the board that
11 they increase the amount of money that they got from
12 software sales?

13 A. To the board? I don't remember
14 specifically discussing that. But discussing,
15 overall, what potential funding sources there could
16 be I discussed with the board.

17 Q. In connection with this email, why didn't
18 you raise that Ripple increase -- increase the
19 amount of money it got from software sales?

20 MR. HECKER: Objection to form.
21 Foundation.

22 THE WITNESS: I don't recall.

23 BY MS. WAXMAN:

24 Q. Would the software sales be able to cover
25 Ripple's expenses at the time?

1 A. At the time, the software sales, if I
2 recall correctly, were a -- we -- we were -- on the
3 basis of only the software sales, would not be able
4 to cover our expenses.

5 Q. Then at the very end of the email you say:

6 "It's also a fairly painless
7 way to increase cash flow."

8 Are you talking about sales of XRP being
9 pain -- fairly painless?

10 A. Sorry. "Markets are volatile." Okay.

11 I don't recall specifically what I meant
12 there.

13 Q. Why would -- why is selling XRP -- why
14 would that be fairly painless way to increase cash
15 flow?

16 A. I don't recall what I meant -- what I
17 meant there. But in general, the activity around
18 selling XRP versus the activity around selling
19 RippleNet and software, there's a dramatically
20 longer sales cycle and cash flow collection cycle on
21 software sales than there would be on XRP sales. So
22 it's just a matter of which one was, you know,
23 quote, unquote, easier from a financial perspective.

24 Q. Did Ripple have trouble collecting fees in
25 connection with software sales?

1 A. Not that I recall.

2 MS. WAXMAN: Exhibit 32, please.

3 (Whereupon, Deposition Exhibit 32
4 was marked for identification.)

5 BY MS. WAXMAN:

6 Q. Showing you what's been marked as RW32,
7 which has the Bates RPLI_SEC 0432163, and the
8 attachment is on the other side of the document.

9 ZOOM PARTICIPANT: Could you repeat the
10 exhibit number?

11 MS. WAXMAN: 32.

12 ZOOM PARTICIPANT: 32?

13 MS. WAXMAN: Correct.

14 ZOOM PARTICIPANT: 3-2. Thank you.

15 THE WITNESS: Okay.

16 BY MS. WAXMAN:

17 Q. Did Ripple ever provide XRP options to
18 certain executives?

19 A. Ripple provided XRP grants that vested
20 over time to certain executives that I'm aware of
21 during my time -- that -- that were outstanding
22 during my time. It may have provided options to
23 employees prior to my time at Ripple.

24 Q. And at some point, did Ripple try to
25 renegotiate those agreements with -- strike that.

1 Did Ripple provide XRP grants to
2 Mr. Garlinghouse and Mr. Griffin?

3 A. If I recall correctly, Ripple provided an
4 XRP grant to Brad and Patrick in 2016, is my
5 recollection.

6 Q. And did you recommend that the company
7 renegotiate those contracts?

8 A. Yes, I did.

9 Q. And why did you make that recommendation?

10 A. XRP grants were made to those individuals
11 when the price of XRP was roughly half a cent. The
12 value of those grants had significantly increased.
13 When those grants vest, the company has a
14 withholding obligation and has to pay the cash tax
15 on those grants and then relay -- the way the grants
16 were written, relay the remaining XRP. So they
17 expose the company to a potential cash liability
18 that was extremely volatile.

19 Q. Did the company have to pay taxes on XRP
20 that it provided?

21 A. Yes. It had to pay cash taxes to the --
22 on the XRP grants that are provided.

23 Q. And how did it satisfy those tax
24 obligations?

25 A. From its cash balances.

1 Q. And how did it generate the funds to pay
2 those taxes?

3 A. Cash is fungible, so it was a combination
4 of venture capital fundraising, software sales, and
5 XRP sales.

6 Q. Did Ripple ever disclose that it had
7 provided Mr. Garlinghouse and Mr. Griffin XRP
8 grants?

9 A. I don't believe that there's a requirement
10 that they provide that information. I don't believe
11 that they did.

12 Q. Did the company ever renegotiate the XRP
13 contracts with either Mr. Garlinghouse or
14 Mr. Griffin?

15 MR. FORD: Objection to form.

16 THE WITNESS: I recall that we may have --
17 we -- we renegotiated, I believe, Brad's. I
18 don't -- I don't specifically recall what we did
19 with Patrick.

20 BY MS. WAXMAN:

21 Q. And did -- following the renegotiation,
22 did the company provide any XRP to Mr. Garlinghouse
23 in connection with the contract?

24 MR. FORD: Objection to form.

25 THE WITNESS: I don't recall exactly how

1 we renegotiated the contracts. We presented a -- a
2 subset, I believe, of these alternatives to the
3 board and the compensation committee of the board.
4 And the board, without my involvement, came to a
5 determination and we -- we executed that. I don't
6 specifically recall what the result of that was.

7 BY MS. WAXMAN:

8 Q. And who were the members of the
9 compensation committee at Ripple?

10 A. As I recall, at the time of this, which is
11 early 2018, it was definitely Chris Larsen. I don't
12 recall who the other members were of the
13 compensation committee.

14 MS. WAXMAN: Exhibit 34, please.

15 (Whereupon, Deposition Exhibit 34
16 was marked for identification.)

17 BY MS. WAXMAN:

18 Q. Mr. Will, I'm showing you what's been
19 marked as RW34, which is -- has the Bates RPLI_SEC
20 0063558 through -60.

21 A. Okay.

22 Q. Do you know what [REDACTED] is?

23 A. I don't recall.

24 Q. Do you recall receiving this email from
25 Miguel Vias on April 7th, 2018?

1 A. Don't recall.

2 Q. Did [REDACTED] ever express concerns that XRP
3 could be a security under securities laws?

4 A. Don't recall being involved with [REDACTED]

5 Q. Why would Miguel Vias send you this email?

6 MR. HECKER: Objection. Form.

7 THE WITNESS: I don't know.

8 BY MS. WAXMAN:

9 Q. Were you supervising Mr. Vias at the time?

10 A. As CFO, if I asked a question to an
11 individual at Ripple, they would typically respond.

12 Q. And why did you inquire, ask Mr. Vias why
13 [REDACTED] was listing?

14 A. I don't specifically recall why I asked.

15 Q. In April 2018, did you have any
16 understanding as to whether [REDACTED] decided not to move
17 forward with the listing because of concerns that it
18 had that XRP could be a security under federal
19 securities laws?

20 A. Don't recall being involved.

21 Q. Earlier we spoke about a recommendation
22 that you had made to Mr. Garlinghouse to increase
23 Ripple's XRP sales rates. Was that a decision that
24 needed Brad -- Mr. Garlinghouse's approval?

25 MR. FORD: Objection to form. Misstates

1 the testimony.

2 THE WITNESS: If we changed -- made a
3 material change in our XRP sales, we would typically
4 make sure that we informed several executives at
5 Ripple.

6 BY MS. WAXMAN:

7 Q. Did he specifically need to approve the
8 recommendation?

9 MR. FORD: Objection to form.

10 THE WITNESS: I don't recall at that time
11 whether he needed to specifically approve. We had a
12 relatively small executive team and we liked to make
13 sure that each other were in the loop.

14 BY MS. WAXMAN:

15 Q. Would you ever have moved forward with
16 that sort of recommendation without letting him
17 know?

18 MR. FORD: Objection to form.

19 THE WITNESS: Without letting him know,
20 no.

21 BY MS. WAXMAN:

22 Q. Other than just wanting to keep everyone
23 in the loop, was there any other reason why you
24 would inform him of that?

25 A. If it was a material transaction, I think

1 that both Brad and other executives, including our
2 general counsel, should be aware. Depending on the
3 materiality, they should also specifically approve.
4 Depending on the type of transaction, it might also
5 involve other areas of the company.

6 MS. WAXMAN: Number 38, please.

7 (Whereupon, Deposition Exhibit 38
8 was marked for identification.)

9 BY MS. WAXMAN:

10 Q. Mr. Will, I'm showing you what's been
11 marked RW38, which is a document with the Bates
12 RPLI_SEC 0844620.

13 A. Okay.

14 Q. Why did you send this email?

15 A. I don't specifically recall sending this
16 email, but one of my functions as chief financial
17 officer is to ensure that board meetings are as
18 effective as possible.

19 Q. And how would this make a board meeting
20 effective?

21 A. I think that my goal would be to regularly
22 review the information that we provided the board as
23 well as, seems like some board members needed a
24 refresher on our overall strategy, according to
25 bullet point number 1. And so as normal course of

1 my function, I would propose ideas of ways that we
2 could improve our board meetings over time.

3 Q. And what was your understanding of
4 Ripple's strategy in April 2018?

5 A. I don't recall specifically in April 2018.
6 My thoughts about Ripple's strategy.

7 Q. Was the strategic to create value for XRP?

8 A. I don't -- I don't recall what my view on
9 the strategy of the company was in April of 2018.

10 Q. At any point in time, did you have a view
11 that the company's strategy was to create value for
12 XRP?

13 A. I think the long-term value of XRP is a
14 component of the value of Ripple.

15 Q. And so was part of Ripple's strategy to
16 create value for XRP?

17 MR. FORD: Objection to form.

18 THE WITNESS: I think one of the
19 strategies over my time at Ripple was to make sure
20 there was liquidity and utility for XRP, and that
21 would drive the value of XRP.

22 Q. In the first bullet, can you read that
23 into the record?

24 A. "More lead-in on our strategy
25 and overall view that it is about

1 the value of XRP, not the software
2 revenue right now - so driving
3 volume and velocity of XRP is the
4 key, how that starts with xCurrent,
5 and the next xVia/xRapid adoption,
6 et cetera. Seemed like some (maybe
7 just [REDACTED]) needed a refresher."

8 Q. Why did you say that software revenues
9 were not part of the strategy of the company at that
10 time?

11 MR. HECKER: Objection to form.

12 MR. FORD: Objection to form.

13 THE WITNESS: The specific part of this
14 email, which I don't recall, is that not the
15 software revenue right now. And so the amount,
16 dollar amount of software revenue at that point in
17 April 2018 was not a primary indicator of the value
18 of the company or that we were creating on
19 RippleNet, given the early stage of RippleNet at
20 that point in April.

21 BY MS. WAXMAN:

22 Q. Did the dollar amount of software revenue
23 ever become a primary indicator of the value of the
24 company at any point while you were with Ripple?

25 MR. HECKER: Objection to form.

1 You can answer.

2 THE WITNESS: I don't recall what the
3 value of the software revenue was, so I can't answer
4 that.

5 BY MS. WAXMAN:

6 Q. I understand that you don't recall the
7 value -- the exact number, but at any point did the
8 dollar amount of software revenue, was it a primary
9 indicator of value for Ripple?

10 MR. HECKER: Objection to form. Vague.

11 THE WITNESS: I would say in general that
12 the value of a network business at an early stage is
13 going to be -- a better metric of value would be the
14 volume of activity and the number of participants on
15 that network.

16 BY MS. WAXMAN:

17 Q. Is any of that recorded, you know, the
18 increase in volume on the network and the increase
19 in the number of participants, does any of that get
20 recorded on Ripple's financial statements?

21 A. It was a regular dashboard, which we
22 reviewed earlier, that we presented to the board of
23 directors.

24 Q. But does it impact the income statement or
25 the balance sheet in any way?

1 A. It is uncommon in the types of companies
2 that I work for in Silicon Valley as early stage
3 companies that the accounting statements are used as
4 a primary indicator of value.

5 MS. WAXMAN: Exhibit 40, please.

6 (Whereupon, Deposition Exhibit 40
7 was marked for identification.)

8 BY MS. WAXMAN:

9 Q. Mr. Will, I'm showing you what's been
10 marked as RW40, which is document with the Bates
11 stamp 0107663.

12 A. Okay.

13 Q. Do you know who [REDACTED] is?

14 A. I don't recall.

15 Q. Did you ever have any discussions about
16 concerns that [REDACTED] had that XRP could be deemed a
17 security under U.S. securities laws?

18 MR. FORD: Objection to form.

19 THE WITNESS: I don't recall.

20 BY MS. WAXMAN:

21 Q. Did anyone at the [REDACTED] ever express to you
22 a concern that XRP could be deemed a security under
23 U.S. securities laws?

24 A. I don't recall.

25 Q. Did [REDACTED] not move forward with an XRP

1 future -- XRP index because it was concerned that
2 XRP could be deemed a security under U.S. securities
3 laws?

4 MR. FORD: Objection to form.

5 THE WITNESS: I don't recall if they
6 proceeded, and I don't recall why, if they didn't
7 proceed, what was their rationale.

8 MS. WAXMAN: Okay.

9 Exhibit 46, please.

10 (Whereupon, Deposition Exhibit 46
11 was marked for identification.)

12 BY MS. WAXMAN:

13 Q. Mr. Will, I'm showing you what's been
14 marked as Exhibit RW46, which is a document with the
15 Bates RPLI_SEC 0222488.

16 ZOOM PARTICIPANT: Exhibit 46, correct?

17 MS. WAXMAN: Correct.

18 THE WITNESS: Okay.

19 BY MS. WAXMAN:

20 Q. Who is [REDACTED]?

21 A. I believe they are an early holder of XRP.

22 Q. Were they also a Ripple shareholder?

23 A. I don't recall.

24 Q. Why did Mr. Vias send you this email
25 regarding [REDACTED]?

1 MR. FORD: Objection to form.

2 THE WITNESS: I don't recall this email
3 and I -- I would just be basing that on what I'm
4 reading here.

5 BY MS. WAXMAN:

6 Q. I know you don't recall the email, but do
7 you recall generally Mr. Vias making a
8 recommendation to you to buy XRP from the market in
9 connection with [REDACTED]?

10 MR. FORD: Objection to form.

11 THE WITNESS: No, I don't recall that.

12 BY MS. WAXMAN:

13 Q. Did Mr. Vias ever recommend that Ripple
14 buy XRP in the market?

15 A. I don't believe in this email he is
16 recommending that XRP buy from the market. It looks
17 like he is suggesting we could have [REDACTED] sell
18 directly to [REDACTED] which appears to be [REDACTED]
19 [REDACTED] who was a shareholder. But -- or that -- I
20 believe earlier he says software -- we could offer
21 to buy, "we" being Ripple, could buy the XRP from

22 [REDACTED]

23 Q. And would that be in lieu of [REDACTED] selling
24 the XRP into the market?

25 MR. FORD: Objection to form.

1 THE WITNESS: I'm just assuming so from
2 the email. I don't recall the email.

3 BY MS. WAXMAN:

4 Q. And is this a proposal that you, a CFO,
5 would ever consider?

6 MR. FORD: Objection.

7 BY MS. WAXMAN:

8 Q. And when I say "this proposal," I mean
9 buying XRP from an XRP holder.

10 MR. HECKER: Objection to form.

11 THE WITNESS: As part of my normal
12 responsibilities, it would be -- it could be part of
13 my responsibilities to consider alternatives related
14 to XRP at Ripple, yes.

15 BY MS. WAXMAN:

16 Q. But for what purpose would Ripple buy XRP?

17 MR. HECKER: Objection to form.

18 Foundation. Incomplete hypothetical.

19 THE WITNESS: In general?

20 BY MS. WAXMAN:

21 Q. Well, generally speaking, would there be
22 any situation where you would approve a transaction
23 in which Ripple would buy XRP either from an XRP
24 holder like [REDACTED] or buy XRP in -- in the secondary
25 market?

1 MR. HECKER: Objection. Calls for
2 speculation.

3 BY MS. WAXMAN:

4 Q. It sounds like that specific
5 recommendation was being made here. I know you
6 don't recall it, but generally speaking, why --
7 would there be any situation where you would approve
8 such a transaction?

9 MR. HECKER: Objection to form.

10 THE WITNESS: I'd need to speculate on
11 what the market conditions were and all the factors
12 related to the specific transaction before I could
13 determine whether I would approve a transaction.

14 BY MS. WAXMAN:

15 Q. Well, just from a high level. I mean, the
16 company owned 60 billion XRP. Why would it need
17 more?

18 MR. HECKER: Objection to form.

19 THE WITNESS: There -- there could be a
20 scenario where it made sense. I'd just have to --
21 I'd have to lay out the entire scenario to figure
22 out whether or not it did in that specific
23 situation.

24 BY MS. WAXMAN:

25 Q. Well, under what scenarios would you

1 approve a specific transaction for Ripple to buy
2 XRP?

3 MR. HECKER: Objection. Calls for
4 speculation.

5 THE WITNESS: I'd need to speculate and
6 create a scenario. I'm at a loss right now to do
7 that.

8 BY MS. WAXMAN:

9 Q. Looking at this email, was Mr. Vias
10 concerned that sales of [REDACTED] -- sales of XRP by [REDACTED]
11 would result in price pressure on XRP?

12 MR. HECKER: Objection to form.
13 Foundation.

14 THE WITNESS: I -- my recommendation from
15 this email is that we call [REDACTED] That's -- I don't
16 know what Miguel meant by [REDACTED] is panicking. I
17 don't recall receiving this email. I don't recall
18 the price at the time or the price impact of this
19 activity in August of 2018.

20 BY MS. WAXMAN:

21 Q. You say at the top of the email:

22 "I think we are close to
23 DEFCON3, if not 4, recommend we
24 reach out to [REDACTED]"
25 What do you mean we are close to DEFCON3

1 if not 4?

2 A. I don't recall specifically what I meant
3 by "DEFCON3 if not 4." [REDACTED] was a historic partner
4 to Ripple. They had a relationship with the company
5 and its executives. And I recommended, it appears,
6 to just reach out to them.

7 Q. Well, are you talking about XRP price when
8 you talk about we are close to DEFCON3 or 4?

9 MR. HECKER: Objection to form.

10 THE WITNESS: I don't recall.

11 BY MS. WAXMAN:

12 Q. And did you reach out to [REDACTED]?

13 A. I don't recall how we handled this.

14 Q. Did Ripple ever -- have you ever used the
15 phrase "DEFCON3," outside of this email?

16 A. I may have.

17 Q. And what do you understand that phrase to
18 mean?

19 A. Just the level of urgency around the
20 situation is how I typically use it.

21 Q. So the situation involving [REDACTED] had a high
22 urgency?

23 A. I believe the DEFCON system goes to 5, so
24 DEFCON3 is right in the middle.

25 Q. Fair enough.

1 MS. WAXMAN: Exhibit 51, please.

2 (Whereupon, Deposition Exhibit 51
3 was marked for identification.)

4 ZOOM PARTICIPANT: Can you repeat the
5 exhibit number?

6 MS. WAXMAN: 51.

7 ZOOM PARTICIPANT: Five-one?

8 MS. WAXMAN: Yes.

9 Q. Mr. Will, I'm showing you what's been
10 marked as RW51, which has the Bates RPLI_SEC
11 0067826.

12 A. Okay.

13 Q. Who is [REDACTED]?

14 A. He was our primary contact related to
15 [REDACTED] shareholding at [REDACTED]

16 Q. And the subject of this email says
17 "Futures update."

18 Do you know what that is in reference to?

19 A. I believe it was in reference to the XRP
20 futures.

21 Q. Did Ripple engage in efforts to create an
22 XRP index and future product with the [REDACTED]?

23 A. I don't believe that Ripple -- I don't
24 recall that Ripple developed a product with the [REDACTED].

25 Q. Did Ripple engage the [REDACTED] with respect to

1 the [REDACTED] offering an XRP index and XRP futures
2 product for XRP?

3 A. I recall that we wanted to know if they
4 were going to launch an XRP futures at the [REDACTED]

5 Q. Did you have a conversation with
6 [REDACTED] regarding that topic?

7 A. I had a standing call with [REDACTED] every
8 quarter. They, I believe, had information rights
9 perhaps as an observer of the board. I don't
10 specifically remember this, the conversation about
11 the futures, but it could have come up during that
12 conversation where I gave him an update on the
13 performance of the company.

14 Q. Did the -- did the [REDACTED] ever create an
15 index or launch an XRP future?

16 A. I don't know.

17 Q. Did you ever have discussions with
18 [REDACTED] about any concerns about XRP being a
19 security under the federal securities laws?

20 A. I don't recall.

21 Q. You write:

22 "FYI I had a call with [REDACTED]
23 [REDACTED] today at [REDACTED] Told him we'd
24 like some answers of why we're so
25 far off timeline."

1 Do you know what -- what are you talking
2 about with respect to timeline?

3 A. I believe at one point in a conversation
4 with [REDACTED] they had provided a preliminary timeline
5 of when a future could launch.

6 Q. You go on to say:

7 "He blamed the lawyers, said
8 he wasn't on the call and would get
9 additional information for us. He
10 said in the current environment at
11 [REDACTED] the lawyers rule the roost -
12 they are very risk adverse given
13 they are waiting approval on a
14 transaction and are under scrutiny
15 from the DOJ."

16 Then you say:

17 "I was clear that this was a
18 major issue here - and needs a path
19 to resolution as nothing has
20 changed except for the better with
21 the SEC."

22 So just looking at the first part of the
23 sentence, "I was clear that this was a major issue,"
24 what -- what was a major issue?

25 A. I don't specifically recall, but they were

1 a shareholder. [REDACTED] was a partner of the company.
2 He -- and they had made -- they had proposed a
3 timeline to us and they had fallen off that
4 timeline.

5 Q. So was the issue that they had -- were off
6 the timeline or was the issue relate to the SEC?

7 MR. HECKER: Objection to form.

8 THE WITNESS: I don't specifically
9 remember, but I would be surprised if it had
10 anything to do with the SEC.

11 BY MS. WAXMAN:

12 Q. And when you're talk -- when you say
13 "needs a path to resolution as nothing has changed,"
14 is that a typo, nothing has -- should it be changed.

15 THE WITNESS: I don't recall the email,
16 but seems like proper grammar.

17 BY MS. WAXMAN:

18 Q. What -- what are you talking about when
19 you -- what are you referring to when you say "needs
20 a path to resolution"?

21 A. Don't specifically recall the email, but
22 seems like getting back on the timeline to offer an
23 XRP futures.

24 Q. Did you discuss with [REDACTED] anything
25 about the SEC during that call?

1 A. I don't remember discussing the SEC with
2 CME on that call. I don't specifically remember
3 that call, but it -- I would not discuss the SEC
4 without counsel.

5 Q. Was counsel on this call?

6 A. No. I don't recall counsel being on the
7 call.

8 Q. Did you ever disclose the SEC's
9 investigation into Ripple during that call?

10 A. I don't recall -- I don't recall the call.
11 It would be very surprising to me if I disclosed
12 anything like that. I -- I'm not even sure I was
13 aware of the investigation as of September 2018. I
14 knew of the class action because those were public.

15 Q. Well, earlier today you said that sometime
16 in 2018, you had first learned about the SEC's
17 investigation --


18 A. Agreed. Yeah. I'm not exactly sure what
19 date. It was three years ago.

20 Q. Exhibit 52 -- wait, hold on for one
21 second, actually.

22 Are you familiar with an entity by name of

23 

24 A. Yes.

25 Q. Okay. And what is ?

1 A. [REDACTED] is a boutique investment bank.

2 Q. And did Ripple ever hire [REDACTED]

3 A. We engaged [REDACTED] to execute our
4 fundraising.

5 Q. And at what period in time did you engage
6 [REDACTED]

7 A. I don't remember specifically when we
8 signed the engagement letter. I had a relationship
9 with [REDACTED] at [REDACTED] that dated back to the '90s.
10 I had conversations with him, I believe, in 2018
11 about working with us. [REDACTED] and I
12 jointly started working with [REDACTED] likely late 2018
13 on the fundraising.

14 Q. And when did the company determine that it
15 wanted to raise funds?

16 A. Sometime during 2018.

17 Q. And was there anything that prompted that
18 decision to raise funding?

19 A. Typically, in Silicon Valley, both
20 employees and other investors rely on recent
21 investments in the company to be part of an
22 indication of the value of that company. Ripple had
23 not done a fundraising since 2016, I believe. Its
24 Series B had a valuation that was far below where,
25 you know, we thought valuation of the company should

1 be.

2 Q. What did you think the valuation of the
3 company should be in -- at the time that you engaged

4 [REDACTED]

5 MR. FORD: Objection to form.

6 THE WITNESS: We didn't have a specific
7 idea. We just knew that it was higher than the
8 Series B valuation, which was roughly \$2 a share and
9 about \$300 million, if I remember correctly.

10 BY MS. WAXMAN:

11 Q. And why did you have the belief that it
12 should have been higher? What did you base that on?

13 A. Variety of factors including discussions
14 with [REDACTED] about what they thought they could raise
15 money for us at. What valuation they could raise
16 money for us at.

17 Q. Did you think that the company's valuation
18 should have been higher because XRP's price was
19 trading at a higher price?

20 MR. FORD: Objection to form.

21 THE WITNESS: Than in 2016 when we did the
22 fundraising? We thought that might be a factor.
23 There were other factors we considered as well.

24 BY MS. WAXMAN:

25 Q. Was that the primary factor for your

1 belief that the valuation should be higher?

2 A. I wouldn't say it was a primary factor.

3 Q. Did it weigh heavily, in your
4 understanding, as to the -- what the company should
5 be valued at at the time?

6 MR. HECKER: Objection to form.

7 THE WITNESS: It was a --

8 MR. HECKER: Objection to form.

9 THE WITNESS: It was a factor.

10 BY MS. WAXMAN:

11 Q. So what did [REDACTED] do in connection with
12 the engagement?

13 A. As I recall, as would be standard, they
14 did a diligence of the company. They helped in
15 determining and they decided who to do outreach,
16 which investors to approach. They -- we provided
17 information about the company. They packaged that
18 information up and approached investors in the
19 company.

20 Q. What feedback did [REDACTED] get from
21 potential investors?

22 MR. HECKER: Objection to form.
23 Foundation.

24 THE WITNESS: I'd need to review the
25 specifics at the time. I don't recall.

1 BY MS. WAXMAN:

2 Q. And what feedback did [REDACTED] provide you
3 on their own after doing some due diligence on the
4 company?

5 A. That they would be able to successfully
6 raise capital for the company at a higher valuation
7 than we had previously raised capital at.

8 Q. And did any deals come to fruition from
9 any efforts from [REDACTED]?

10 A. We closed the Series C in late 2019.

11 Q. And who did you raise funds from in
12 connection with the Series C?

13 A. [REDACTED] and two other entities. I forget
14 the -- the specifics, but it was led by [REDACTED]

15 Q. Did it also include [REDACTED]?

16 A. It may have, yeah.

17 Q. And did -- was [REDACTED] an investor that
18 [REDACTED] had presented to you?

19 A. I don't recall that [REDACTED] had
20 presented -- [REDACTED] had presented [REDACTED] to us.

21 Q. Did Ripple terminate the engagement with
22 [REDACTED] at some point?

23 A. I do recall us terminating the engagement.

24 Q. And did you have discussions about
25 terminating the agreement with [REDACTED]

1 MR. FORD: Objection to form.

2 THE WITNESS: Yes.

3 BY MS. WAXMAN:

4 Q. Okay. And did you have an understanding
5 why Ripple terminated the agreement?

6 A. Felt like they poorly performed under the
7 engagement.

8 Q. And did Ripple believe that they had poor
9 performance?

10 A. Yes.

11 Q. And why?

12 A. Limited understanding of the
13 cryptocurrency market, limited understanding of
14 fintech, limited ability of put us in front of
15 investors, get us investor meetings, and we ended up
16 finding the investor that we ended up proceeding
17 with on a fundraising.

18 Q. How far did you get with [REDACTED] in the
19 process before you terminated the engagement?

20 MR. HECKER: Objection to form.

21 THE WITNESS: We received two term sheets,
22 I believe, in the summer of 2019. But they were
23 unacceptable to the company.

24 BY MS. WAXMAN:

25 Q. And who did you receive the term sheets

1 from?

2 A. [REDACTED] and [REDACTED] if I recall.

3 Q. And why were they -- why was the [REDACTED]
4 term sheet unacceptable?

5 A. I forget the specific reason why it was
6 unacceptable. We presented both term sheets or at
7 least the [REDACTED] term sheet I specifically remember
8 presenting to the board as our recommendation,
9 giving both the term sheet as well as the [REDACTED] name
10 as an investor, and then we ended up not moving
11 forward with them.

12 Q. Was there a specific reason why the
13 company decided not to move forward with [REDACTED]?

14 A. I don't recall. Yeah, I don't recall
15 the -- the back and forth there.

16 Q. And you said that you had received a term
17 sheet from [REDACTED], correct?

18 A. Correct.

19 Q. And that term sheet was unacceptable as
20 well?

21 A. Correct.

22 Q. Why was it unacceptable?

23 A. I forget the specifics.

24 Q. What information did Ripple provide to

25 [REDACTED] as part of its due diligence?

1 MR. HECKER: Objection to form.

2 THE WITNESS: I'd need to review the --
3 their request of her diligence. What would be
4 standard would be operating metrics, financial
5 information, as well as product roadmaps, investor
6 presentations that we had made historically. So it
7 was likely some set of that information.

8 BY MS. WAXMAN:

9 Q. Who was Ripple's primary contact for
10 [REDACTED]

11 A. [REDACTED]

12 Q. Who was the primary contact at Ripple?

13 A. It was myself and [REDACTED] who was
14 the head of corporate development at the time.

15 Q. And what was your role in connection with
16 the engagement with [REDACTED]?

17 A. As CFO, I -- both at my current position
18 and Ripple in prior positions, I'm primarily
19 responsible for fundraising activities and the
20 completion of fundraising activities. So whether
21 it's pulling together the diligence materials,
22 whether it's the positioning of the company, I'll
23 either work on a standalone basis or I'll work with
24 an advisor like [REDACTED]

25 And in the case of [REDACTED] we -- we

1 outsourced some of that activity and leveraged their
2 relationships with investors to get meetings and to
3 package the company.

4 Q. As part of [REDACTED] due diligence, was it
5 important for them to understand all aspects of
6 Ripple's business?

7 MR. HECKER: Objection to form.

8 THE WITNESS: Yes.

9 MR. HECKER: Ms. Waxman, when you come to
10 a convenient time can we take our last break?

11 MS. WAXMAN: Sure. I just have one
12 document related to [REDACTED] So if we don't -- you
13 don't mind, we'll just do that one.

14 MR. HECKER: No. Go for it.

15 MS. WAXMAN: Exhibit 52.

16 MR. SYLVESTER: Not DEFCON5.

17 MR. HECKER: No, it's like a three and a
18 half. I didn't know there were five levels. I
19 didn't know there were halves.

20 (Whereupon, Deposition Exhibit 52
21 was marked for identification.)

22 MS. WAXMAN: I don't know about you guys,
23 but I've had three epidurals, so ... in my lifetime.

24 MR. HECKER: Definitely not.

25 ZOOM PARTICIPANT: What is the

1 exhibit number?

2 MS. WAXMAN: 52.

3 ZOOM PARTICIPANT: Five-two?

4 MR. HECKER: Yes.

5 ZOOM PARTICIPANT: Sorry. I couldn't
6 hear. Five --

7 MR. HECKER: Five-two.

8 ZOOM PARTICIPANT: -- two.

9 BY MS. WAXMAN:

10 Q. It's a -- it's a long email, so take your
11 time to -- to read the whole thing.

12 A. Okay.

13 Q. If you look on the second page of the
14 email in the middle of email on November 8th at
15 2:04 from [REDACTED] it talks about a conversation
16 between you and Monica and [REDACTED] regarding [REDACTED]

17 A. I'm sorry, where specifically between --

18 Q. Sure. Right here. I'm going to ask you
19 about this email.

20 A. Okay. Yeah. I wasn't clear that I was
21 specifically -- I don't see my name as part of that.

22 Q. No, you're not copied on the email but in
23 the middle of the email above the bold it says:

24 "What Monica, Ron and I
25 discussed after the call was

1 building a narrative that was along
2 the lines of" --

3 A. Gotcha.

4 Q. -- and then it has a list of one, two,
5 three, four.

6 MR. FORD: Sorry, Daphna, I hate to
7 interrupt you but I think we lost the live sync.

8 THE REPORTER: I can't get back on the
9 internet.

10 MR. FORD: Oh, it --

11 THE VIDEOGRAPHER: I think it timed out.
12 We had eight hours so now everyone has to sign back
13 in.

14 MR. FORD: Oh, okay. Do we -- do we just
15 all need to sign back in on --

16 THE REPORTER: I can't get on. So if I'm
17 not on nobody can get on. I keep trying but it's
18 not working.

19 MR. HECKER: Should we take just a quick
20 break and see if we can fix that or --

21 THE REPORTER: Well, I --

22 MS. WAXMAN: Let's go off the record for a
23 minute and then let's see if there's something we
24 could do. But I -- I don't want to -- you know,
25 since there's an exhibit pending, I don't want to

1 leave the room.

2 MR. FORD: Yeah, we don't have to, see if
3 we can fix this quickly.

4 THE VIDEOGRAPHER: Okay. We're going off
5 the record. The time is 4:31 p.m.

6 (Whereupon, a recess was taken.)

7 THE VIDEOGRAPHER: We're back on the
8 record. Time is 4:36 p.m.

9 BY MS. WAXMAN:

10 Q. Okay. Mr. Will, going back to that second
11 page, the email referencing a discussion between
12 you, [REDACTED] and -- and Monica, did you ever have
13 discussions with [REDACTED] regarding Ripple's
14 valuation?

15 A. I don't specifically recall having a --
16 you know, when I had, but I likely had a
17 conversation with [REDACTED] about valuation and
18 valuation frameworks.

19 Q. Did [REDACTED] tell you that it would be
20 difficult to achieve a valuation based on
21 software -- Ripple's software revenues?

22 A. I don't recall specifically them saying
23 that. That wouldn't surprise me.

24 Q. And why wouldn't it surprise you?

25 A. Ripple's software revenues were relatively

1 small.

2 Q. So you would agree with that statement?

3 MR. HECKER: Objection to form.

4 THE WITNESS: That -- I would agree that a
5 multiple of software revenue would likely result in
6 a low valuation.

7 BY MS. WAXMAN:

8 Q. Did [REDACTED] -- did you ever discuss with
9 Monica her discussions that she's had with investors
10 regarding Ripple's story and it being reliant on
11 retail speculation?

12 MR. HECKER: Objection to form.

13 THE WITNESS: I don't recall any
14 conversations with Monica about that.

15 BY MS. WAXMAN:

16 Q. Do you recall any conversations in
17 general?

18 A. With Monica about investors?

19 Q. Mh-hmm.

20 A. We may have discussed it. Monica was the
21 head of marketing. Was a long-time employee of
22 Ripple. I believe she was one of the earliest
23 employees that was still at Ripple. So we -- we
24 could very well have discussed investor
25 interactions.

1 Q. Did investors believe that Ripple's story
2 was very reliant on retail speculation?

3 MR. FORD: Objection to form.

4 MR. HECKER: Objection to form.

5 THE WITNESS: The investors that I spoke
6 with did not relay that to me.

7 BY MS. WAXMAN:

8 Q. Did you have a belief or understanding
9 that the Ripple story was relying on retail
10 speculation?

11 A. No.

12 Q. What sort of narrative did you discuss
13 regard -- what sort of narrative did you discuss to
14 provide to potential investors regarding Ripple?

15 A. In November of 2018 at this meeting?

16 Q. Yeah.

17 A. I don't recall.

18 Q. Do you know what "three pillars" refers
19 to?

20 A. I don't.

21 Q. Have you ever heard that term used at
22 Ripple?

23 A. I don't recall that term being used at
24 Ripple.

25 Q. Have you ever seen any documents where

1 that three pillars is referenced?

2 MR. HECKER: Other than this one, you
3 mean.

4 THE WITNESS: I don't recall seeing that
5 reference.

6 BY MS. WAXMAN:

7 Q. Based on the document, do you have an
8 understanding what the three pillars are?

9 MR. FORD: Objection to form.

10 THE WITNESS: I don't, actually.

11 BY MS. WAXMAN:

12 Q. This is an email that someone from Ripple
13 drafted, right, [REDACTED]?

14 A. Yes.

15 Q. Okay. And it says:

16 "Pillar number 1, to date the
17 value of XRP is highly reliant on
18 retail speculation (speculation
19 that is -- speculation that is
20 linked to, 1, belief in the value
21 of the underlying technology of
22 the XRP Ledger, and 2, the promise
23 of what is being built on the XRP
24 Ledger)."

25 Did you agree with that statement at the

1 time?

2 MR. HECKER: Objection to form.

3 THE WITNESS: I don't recall if I would
4 have agreed in November of 2018 to that.

5 BY MS. WAXMAN:

6 Q. Do you agree with that now?

7 MR. HECKER: I'm sorry, does he agree now
8 that -- at that time?

9 MS. WAXMAN: No.

10 Q. Do you agree now that the value of XRP is
11 highly reliant on retail speculation?

12 MR. FORD: Objection to form.

13 THE WITNESS: With just that part of the
14 sentence or the entire pillar?

15 BY MS. WAXMAN:

16 Q. Let's just take the first part of the
17 sentence.

18 A. Yeah.

19 Q. Do you believe the value -- do you believe
20 today that the value of XRP is highly reliant on
21 retail speculation?

22 MR. FORD: Objection to form.

23 THE WITNESS: Right now, I have not spent
24 time looking at cryptocurrency since I left Ripple.
25 So I don't have an opinion about what is the --

1 driving the value of or what XRP is relying on.

2 BY MS. WAXMAN:

3 Q. At the time you left Ripple, did you
4 believe that the value of XRP was highly reliant on
5 retail speculation?

6 MR. FORD: Objection to form.

7 THE WITNESS: I don't recall.

8 BY MS. WAXMAN:

9 Q. The second part of the sentence, at the
10 time you left Ripple, did you believe that
11 speculation in XRP was linked to those two things
12 that are listed?

13 MR. FORD: Objection to form.

14 THE WITNESS: I don't recall believing
15 that.

16 Q. Did you have -- did you have any reason to
17 believe that anyone else disagreed with this view?

18 MR. FORD: Objection to form.

19 MR. HECKER: Objection to form.

20 THE WITNESS: Yeah, that's -- that's a
21 broad statement. I don't -- I don't -- I don't
22 recall at the time that I left Ripple what others
23 thought about that statement.

24 BY MS. WAXMAN:

25 Q. Well, does this statement seem odd to you,

1 is it -- for -- for [REDACTED] to say?

2 MR. HECKER: Objection to form.

3 THE WITNESS: I don't -- I don't have an
4 opinion either way about whether it's odd or not. I
5 just -- I don't really understand what he's getting
6 at here.

7 BY MS. WAXMAN:

8 Q. Did you have an opinion whether it was
9 accurate?

10 MR. HECKER: Objection to form.
11 Foundation.

12 THE WITNESS: I don't have an opinion
13 about whether it's accurate.

14 BY MS. WAXMAN:

15 Q. And you don't have an opinion or believe
16 that it was inaccurate; is that correct?

17 MR. HECKER: Same objections.

18 THE WITNESS: I think it's difficult to
19 understand what is driving speculation is the basis
20 of my lack of understanding here.

21 BY MS. WAXMAN:

22 Q. Do you have any understanding what he's
23 talking about when he talks about the value of XRP
24 being highly reliant on retail speculation and that
25 speculation is linked to belief in the value of the

1 underlying technology of XRP and the promise of what
2 is being built on the XRP Ledger?

3 A. Only -- only what he wrote. I just -- I
4 seem to -- he seems to be expressing an opinion
5 about what his view is about what is -- what is
6 driving the value of XRP.

7 Q. Did you understand that to be his personal
8 view or the view of the company?

9 A. I don't recall. I don't recall this
10 email. I don't recall that to be -- whether it's
11 his personal view or -- or not, I can't speak to
12 that.

13 Q. I know you don't recall the email itself,
14 but with respect to the value of XRP and -- and what
15 drove XRP value, that's what I actually want to
16 focus on now here.

17 So with respect to pillar number 2, can
18 you read that into the record for me?

19 A. "Ripple is" --

20 MR. HECKER: It seems like we're going to
21 be on this document for awhile. He can answer this
22 question but can we take a break after this and then
23 you come back and keep going. I mean, it's been
24 like 20 minutes since I asked for the break.

25 MS. WAXMAN: That's not my fault. We took

1 a break for the --

2 MR. HECKER: No, I know. I know. I'm
3 asking for the courtesy of a break. There's no rule
4 about not taking a break while you're in the middle
5 of a document.

6 But you can answer the question.

7 MS. WAXMAN: I just want to finish the
8 document. I think it will be more efficient.

9 Q. Can you read pillar number 2 into the
10 record?

11 A. "Ripple is the leading company building on
12 the XRP Ledger (with five-plus years of work).. Our
13 software allows FIs to leverage blockchain
14 technology and XRP to solve difficult and expensive
15 problems with today's financial infrastructure."

16 Q. Did you agree with that statement, "Ripple
17 is the leading company building on the XRP Ledger
18 (with five-plus years of work)"?

19 A. I don't have an opinion about that.

20 Q. You don't have an opinion about
21 Ripple's --

22 A. That they have a lead-in? I don't --

23 MR. HECKER: You can't talk over each
24 other.

25 THE WITNESS: I -- I don't consider myself

1 a cryptocurrency expert and capable of determining
2 whether they are -- Ripple is the leading company
3 building on the XRP Ledger. There are many
4 companies building on the XRP Ledger, and that seems
5 like a -- you know, a -- an opinion.

6 BY MS. WAXMAN:

7 Q. Did people -- did others at the company
8 have the opinion that Ripple was the leading company
9 building on the XRP Ledger?

10 MR. HECKER: Objection to form.

11 THE WITNESS: I don't recall.

12 BY MS. WAXMAN:

13 Q. Pillar 3 talks about:

14 "Other companies are
15 innovating on the XRP Ledger.
16 Xpring was created to provide
17 infrastructure and investment to
18 support these companies."

19 Is that a correct statement regarding
20 Xpring?

21 MR. FORD: Objection to form.

22 THE WITNESS: As I recall, that was --
23 that was what I believe Xpring was -- created to do.

24 BY MS. WAXMAN:

25 Q. Did you ever have any discussions with

1 anyone at Ripple regarding Xpring's creation and its
2 purpose?

3 A. As part of the executive team, Ethan Beard
4 who ran the Xpring group, presented regularly on
5 what they were going to focus on. And it's very
6 possible as of November 2018 this was the -- the
7 mission of Xpring. It may have evolved prior to
8 that, may have changed afterwards, but this could
9 very well have been Xpring's focus at that time.

10 MS. WAXMAN: Okay. Let's take a break.

11 THE VIDEOGRAPHER: We're going off the
12 record. The time is 4:48.

13 (Whereupon, a recess was taken.)

14 THE VIDEOGRAPHER: All right. We're back
15 on the record. The time is 5:04 p.m.

16 BY MS. WAXMAN:

17 Q. Mr. Will, I want to take a look at
18 Exhibit 51, which we looked at earlier today.

19 A. Sure.

20 Q. And I want to point you to the last
21 sentence of the top email, starting with, "I was
22 clear that there was a major issue here."

23 What did you mean by --

24 (Brief interruption.)

25 / /

1 BY MS. WAXMAN:

2 Q. What does it -- what did you mean by
3 "nothing has changed except for the better with the
4 SEC"?

5 MR. FORD: Objection to form, and to the
6 extent that statement reflects your understanding
7 based on conversations with counsel, just direct you
8 not to refer to those in your answer.

9 THE WITNESS: I don't recall.

10 BY MS. WAXMAN:

11 Q. Did anyone at Ripple tell you that things
12 had changed for the better with the SEC?

13 MR. FORD: So, again, if that's referring
14 to someone, counsel, in-house or otherwise, just
15 don't include that in your response.

16 THE WITNESS: I don't recall.

17 BY MS. WAXMAN:

18 Q. Did Mr. Garlinghouse ever provide any
19 update to you regarding any of his interactions with
20 the SEC? And, again, outside the presence of
21 counsel, of course?

22 A. No.

23 Q. Did Mr. Garlinghouse ever provide you with
24 any update regarding a potential settlement of the
25 SEC investigation?

1 A. No.

2 MS. WAXMAN: Exhibit 58.

3 (Whereupon, Deposition Exhibit 58

4 was marked for identification.)

5 BY MS. WAXMAN:

6 Q. Before we go to that, did you have any
7 discussions with Mr. Garlinghouse at any time about
8 XRP's status under the federal securities laws, with
9 the caveat that the conversation didn't involve
10 counsel?

11 MR. HECKER: Objection. Asked and
12 answered.

13 THE WITNESS: No.

14 BY MS. WAXMAN:

15 Q. Mr. Will, I'm showing you what's been
16 marked RW58 which is a document with the Bates
17 RPLI_SEC 0547339.

18 A. Okay.

19 Q. Why did you send this email to Brad?

20 A. I don't recall this email, but it appears
21 I sent it in October 2018. Was the question when
22 or --

23 Q. Why.

24 A. Why. Brad's asking for, it appears, my
25 input on the investor update and asked for some

1 ideas, it appears. So I -- I came up with a few
2 ideas for us to consider.

3 MS. WAXMAN: Let's go off the record for a
4 second. The LiveNote is not working.

5 THE VIDEOGRAPHER: We're going off the
6 record. The time is 5:08 p.m.

7 (Whereupon, a recess was taken.)

8 THE VIDEOGRAPHER: Back on the record.
9 The time is 5:10 p.m.

10 BY MS. WAXMAN:

11 Q. Mr. Will, you said that Mr. Garlinghouse
12 had asked you for some input on the investor update
13 and asked for some ideas. Did you -- what ideas did
14 you provide him?

15 A. I don't recall this email, but it looks
16 like I provided several ideas that are written here
17 in this email.

18 Q. At the bottom of the email, it says:

19 "Stating the obvious, but
20 given the nascent state of the
21 software business and the growth
22 and expenses, not much to say
23 around top line growth or margins."

24 What did you mean by -- what is -- what
25 were you referring to by "top line growth or

1 margins"?

2 A. I don't specifically recall in the context
3 of this email, but frequently for a business in its
4 early stages, the revenue growth and margins are not
5 the best way to judge the potential future value of
6 that business and -- particularly for exchange-base
7 business models similar to what we were trying to do
8 with RippleNet.

9 Q. Did the company experience any top line
10 growth in connection with its software products?

11 A. I don't specifically recall that -- the --
12 the numbers, but I do believe it showed top line
13 growth over -- over those years, you know, 2017,
14 2018, 2019, in software revenue. But I'd have to
15 check the financial statements to confirm that.

16 Q. Okay. Then you say:

17 "We also don't want to discuss
18 XRP price or value of holdings."

19 Why didn't you want to discuss XRP price
20 or value of holdings?

21 A. I thought -- I don't specifically recall
22 why not, but -- so I don't -- but I -- I don't
23 specifically recall why in October I said that.

24 Q. Do you have a general recollection about
25 not wanting to discuss XRP price or value of

1 holdings?

2 A. In general, I felt like any investor in
3 Ripple that was interested in the price of XRP could
4 get a real time price for XRP from any financial
5 source. It was readily available on the internet.
6 So why did we need to provide information about XRP
7 price in an email that would soon be outdated.

8 Q. Was there any other reason why you didn't
9 want to discuss XRP price or value of holdings with
10 potential investors or with investors?

11 A. I think in general, we wanted to focus
12 investors on long-term value creation. And so tying
13 them to a specific price in a moment in time didn't
14 seem like the best investor relations approach.

15 Q. But didn't we discuss earlier that
16 Ripple's value was directly tied to its -- to the
17 value of XRP?

18 A. Over the long --

19 MR. FORD: Sorry, objection. Misstates
20 the testimony.

21 THE WITNESS: I believe what I said was
22 that over the long term, Ripple's value would be
23 tied to factors including the long-term price and
24 value of its holdings in XRP.

25 / /

1 BY MS. WAXMAN:

2 Q. And what about in the short term?

3 A. I think I would debate that people should
4 be focused on the short term when looking at,
5 particularly a private company equity stake.

6 Q. Setting aside that issue, how -- what --
7 how would you recommend the equity shareholders
8 value Ripple in the short term?

9 MR. FORD: Objection to form.

10 THE WITNESS: Typically, for a private
11 company, there's no daily requirement to value their
12 equity stakes. It's done on, you know, a quarterly
13 or annual basis. So it -- the company doesn't trade
14 on any exchange. There's no requirement to provide
15 a specific valuation at any given point in time,
16 which is why I guided investors typically to a
17 framework for valuation to consider. The end of the
18 day, investors made the wrong determination about
19 how they wanted to value their Ripple stake.

20 BY MS. WAXMAN:

21 Q. Did anyone at Ripple ever tell you
22 specifically not to discuss XRP price or value of --
23 of its XRP holdings?

24 A. To clarify, in what context?

25 Q. In any context.

1 A. I don't recall that.

2 Q. Was there a concern that by talking about
3 XRP in this way, XRP could more likely be viewed as
4 a security under the federal securities laws?

5 MR. HECKER: Objection to form. Lacks
6 foundation.

7 THE WITNESS: I don't recall that being a
8 consideration.

9 MS. WAXMAN: Exhibit 70, please.

10 (Whereupon, Deposition Exhibit 70
11 was marked for identification.)

12 THE WITNESS: Thank you.

13 BY MS. WAXMAN:

14 Q. Mr. Will, I'm showing you what's been
15 marked as Exhibit 70, which is a document with the
16 Bates RPLI_SEC 0269649 through -51.

17 ZOOM PARTICIPANT: Could you repeat the
18 exhibit number, please?

19 MS. WAXMAN: 70.

20 MR. HECKER: Seven zero.

21 ZOOM PARTICIPANT: I couldn't hear you,
22 Seven-zero.

23 THE WITNESS: Okay.

24 BY MS. WAXMAN:

25 Q. Who is [REDACTED]?

1 A. [REDACTED] at the time that I was at
2 Ripple, was the head of sales.

3 Q. Head of software sales?

4 A. Head of software sales at Ripple.

5 Q. Okay. And why did you send this email to
6 [REDACTED] and -- [REDACTED] and [REDACTED]?

7 A. [REDACTED] sent us an email. I don't
8 specifically recall this email, but [REDACTED] had sent us
9 an email, it appears, in December before we set
10 annual targets, as he would frequently send us
11 emails complaining about his compensation and the
12 measures by which his compensation was being set.

13 Q. And how was his compensation being set?

14 A. His compensation was set on the number of
15 RippleNet sales, contracts that were signed by his
16 team.

17 Q. And how did you respond to his complaints?

18 A. I provided him with some context around
19 the difficulty at Ripple to estimate some of the
20 value given the lack of historical context and data
21 for some of the things he proposed.

22 Q. As part of your response, you state:

23 "What I find very interesting
24 in your email is that not once do
25 you mention XRP. However, our

1 building [sic] of XRP is our 'north
2 star', and the -- the, all caps,
3 key driver of Ripple valuation."

4 Do --

5 MR. HECKER: Objection to form. Counsel,
6 you misread "holding" as "building."

7 MS. WAXMAN: Thank you.

8 Q. In December 2018, did you believe that
9 Ripple's XRP holdings was the key driver of Ripple's
10 valuation?

11 A. I don't recall that being my belief at the
12 time.

13 Q. Do you have any reason to believe that
14 what you wrote in this email was not what you
15 believed?

16 A. What my reason for likely including that
17 sentence was to push [REDACTED] to consider alternatives
18 to his request for an increase in his compensation.

19 Q. And how could -- if you do go down to the
20 next paragraph, second to last sentence, you say:

21 "Unlike every other software
22 company, sales of Ripple does not
23 sell the thing that directly
24 derives shareholder value or cash
25 flow at Ripple."

1 Again, in December 2018, what did you
2 believe drove shareholder value or cash flow at
3 Ripple?

4 A. I don't recall what I thought in
5 September '18. But my intent typically with [REDACTED]
6 [REDACTED] was to provide an alternative to his
7 requests for structures that would increase the
8 compensation of him or his team as part of their
9 software sales.

10 Q. In the third paragraph, the second
11 sentence, you say:

12 "We sell software products
13 that are almost inherently loss
14 leaders to drive usage of a unique
15 digital asset."

16 What did you mean by the phrase "loss
17 leaders"?

18 A. I don't recall what I specifically meant
19 there.

20 Q. The end of that paragraph, you say:

21 "Building a swift replacement
22 may be a potential output of our
23 strategy and a helpful way to
24 position our product for customers
25 but is not a goal to maximize

1 value of our XRP stake."

2 Why did you feel that, you know, building
3 out a swift replacement was not a goal to maximize
4 value of Ripple's XRP stake?

5 A. I don't specifically recall why I included
6 that sentence in there. The intent of this dialogue
7 was to provide [REDACTED] with some context around his
8 proposal for an alternative compensation structure
9 for his sales team.

10 Q. In the next paragraph, you talk about the
11 status of xRapid.

12 Was xRapid at scale in December 2018?

13 MR. FORD: Objection to form.

14 THE WITNESS: In December of '18, I don't
15 believe it was at scale.

16 BY MS. WAXMAN:

17 Q. And what was the dollar amount of
18 transactions for xRapid in 2018, according to this
19 email?

20 A. I don't specifically recall, but what the
21 email says is less than [REDACTED]

22 Q. And do you have any reason to believe that
23 what you wrote in the email was not true?

24 A. I don't have any reason to believe that.

25 Q. So if Ripple's -- if Ripple was internally

1 trying to increase shareholder value by increasing
2 the value of XRP, would it be reasonable for an XRP
3 investor to look to Ripple to increase XRP's value?

4 MR. HECKER: Objection to form. Calls for
5 speculation.

6 THE WITNESS: No, I don't -- I don't have
7 an opinion about that.

8 BY MS. WAXMAN:

9 Q. And what steps did you recommend that
10 Ripple take to maximize shareholder value and
11 increase the value of XRP in December of 2018?

12 MR. FORD: Objection to form.

13 THE WITNESS: It appears in this I was
14 trying to reduce sales compensation costs by
15 reducing the compensation of [REDACTED] team. And that
16 was the intent of this email.

17 BY MS. WAXMAN:

18 Q. Did you, in the email, make a
19 recommendation of how Ripple could increase
20 shareholder value?

21 MR. FORD: Objection to form.

22 THE WITNESS: [REDACTED] as the head of sales
23 would not be someone that would be knowledgeable
24 about how to maximize shareholder value. So my
25 intent in a communication like this would be more

1 around -- particularly in late 2018, which is when
2 sales compensation is typically set, would be around
3 driving his compensation to a more reasonable level.

4 MS. WAXMAN: Exhibit 61, please.

5 (Whereupon, Deposition Exhibit 61
6 was marked for identification.)

7 BY MS. WAXMAN:

8 Q. Mr. Will, I'm showing you what's been
9 marked RW61, which is a document that has the Bates
10 RPLI_SEC 0269926 through -931.

11 A. Okay.

12 Q. Do you recall this email?

13 A. I do not recall this email.

14 Q. In the middle of the email is Brad --

15 A. On the second page?

16 Q. Yeah. Did you ever have any discussions
17 with Brad in which he recommended that Ripple share
18 more financial information?

19 A. I don't remember discussions with Brad
20 about us to continue to consider our investor
21 relations approach, yes.

22 Q. Did you also have discussions with Monica
23 about Ripple's investor relations approach?

24 A. Yes.

25 Q. And did you discuss with Monica what

1 information to provide to investors?

2 A. I remember conversations that we had. I
3 don't specifically remember the conversations, but I
4 can see the information that was proposed here in
5 the email.

6 Q. And what did Monica propose?

7 A. Monica, in this email, appears to be
8 proposing segmenting our audience.

9 Q. And what information did she recommend
10 providing to certain investors?

11 A. I don't recall providing -- recommending
12 providing -- segmenting our investors or providing
13 to a portion of our investors. It appears here I
14 recommended providing a narrative with case studies
15 and other indications of progress.

16 Q. Did you think it was worthwhile for Ripple
17 to provide financial data to investors?

18 A. As a private company, Ripple is under no
19 obligation to provide, broadly, its financial
20 statements. I also find, as a four-time CFO of
21 public and private companies, that -- and
22 particularly three times at a private company, that
23 it would be highly uncommon for a company to broadly
24 provide financial information of an earlier stage
25 company to their investors.

1 Q. With respect to Ripple, did you think
2 providing financial information would be worthwhile?

3 MR. HECKER: Objection to form.

4 MR. FORD: Objection.

5 THE WITNESS: By "financial information,"
6 do you mean our income statement?

7 BY MS. WAXMAN:

8 Q. Yeah. I'm referring to the financial
9 information, the financial reports that are
10 referenced in the email. So the income statement
11 and the balance sheet and any other operating
12 metrics that are included in the financial
13 statements?

14 MR. HECKER: Objection to form.

15 THE WITNESS: There are typically no
16 operating metrics that are included in the financial
17 statements. The financial statements, as are fairly
18 complex, require a substantial amount of context
19 around GAAP accounting treatment of cryptocurrency.
20 So I did not think, particularly at the -- at the
21 earlier stages, that that was the right way, or a
22 common way, to communicate with investors at a
23 company like Ripple.

24 BY MS. WAXMAN:

25 Q. At the very bottom of the first page, you

1 say that:

2 "Once public, we'll have to
3 provide all of our financial
4 information in detail which will
5 create significant noise."

6 What did you mean by "significant noise"?

7 A. Cryptocurrency accounting is an evolving
8 area. At that point in time, in late 2018, we had
9 already started getting into the details of how
10 Ripple's financial statements would likely be
11 presented. And as they evolved with general
12 accepted accounting principles and our work with
13 Deloitte, they were complex.

14 Q. And other than being complex, were there
15 any other concerns about disclosing Ripple's
16 financials publicly?

17 MR. HECKER: Objection to form.

18 THE WITNESS: As a private company, it
19 would be highly uncommon for a company at this stage
20 to provide its financial statements publicly.

21 BY MS. WAXMAN:

22 Q. Setting aside that it wasn't common, were
23 there any things about the financial statements that
24 you thought -- that were concerned -- that concerned
25 you?

1 MR. HECKER: Objection to form.

2 THE WITNESS: There was nothing in the
3 disclosures that concerned me, other than the
4 complexity and the lack of context that they would
5 provide to investors, as well as the requirement to
6 provide to investors. I think also, we considered
7 whether, from a competitive standpoint, it would
8 potentially provide information to investors -- to
9 competitors that would put us at a competitive
10 disadvantage, since no other cryptocurrency
11 companies were publicly disclosing their financial
12 information.

13 BY MS. WAXMAN:

14 Q. In number 2 you say -- you talk about the
15 income statement. And in the middle of the
16 paragraph you say:

17 "Our gross and operating
18 margins as well as EBITDA don't
19 provide insight into our long-term
20 business model or profitability."

21 In October 2018, what was your
22 understanding of Ripple's business model?

23 A. Ripple's business model was focused on the
24 long-term development of RippleNet.

25 Q. And why wouldn't the income statement

1 reflect information about RippleNet?

2 A. As is common in an early stage network, we
3 were yet to be able to monetize the network. We
4 weren't generating substantial amounts of revenue
5 from the network.

6 Q. Would the monetization of XRP be reflected
7 on the financial statements?

8 MR. FORD: Objection to form.

9 THE WITNESS: XRP sales were considered
10 revenue and would be part of the income statement.

11 BY MS. WAXMAN:

12 Q. But any increase in value of XRP would not
13 be reflected on the income statement?

14 MR. FORD: Objection to form.

15 THE WITNESS: Without getting into the
16 granular detail of our financial statements at
17 Ripple, the increase in value in XRP would actually
18 be a decrease on the income statement for a variety
19 of complex reasons.

20 MS. WAXMAN: Exhibit 117.

21 (Whereupon, Deposition Exhibit 117
22 was marked for identification.)

23 MS. WAXMAN: Can you tell me the time?

24 THE VIDEOGRAPHER: Sure. 6:34.

25 / /

1 BY MS. WAXMAN:

2 Q. Mr. Will, I'm showing you what's been
3 marked RW117 which has the Bates RPLI_SEC 0845227
4 through -228.

5 A. Okay.

6 Q. Did the -- the bottom email references
7 certain regulatory triggers in connection with the
8 term sheet from [REDACTED]; is that correct?

9 A. Yeah, I don't remember this email, but it
10 appears to, yes.

11 Q. Did the original term sheet with [REDACTED]
12 [REDACTED] include regulatory triggers?

13 MR. FORD: Objection to form.

14 THE WITNESS: I don't recall.

15 BY MS. WAXMAN:

16 Q. Okay. Did you have any discussions with
17 anyone at [REDACTED] about the inclusion of
18 regulatory triggers as part of a potential
19 investment?

20 A. I don't recall.

21 Q. Did you have any discussions with anyone
22 at Ripple, other than counsel, regarding regulatory
23 triggers as part of the deal?

24 A. No.

25 Q. What prompted the insertion of the

1 regulatory provisions by [REDACTED]

2 MR. HECKER: Objection to form,
3 foundation.

4 MR. FORD: Objection to form.

5 THE WITNESS: I don't know.

6 BY MS. WAXMAN:

7 Q. Was one of the reasons that the term sheet
8 with [REDACTED] -- was one of the reasons that the
9 term sheet with [REDACTED] was unacceptable was
10 because it included these regulatory triggers?

11 MR. HECKER: Objection to form.

12 THE WITNESS: In my experience doing
13 fundraisings, you look at the totality of the term
14 sheet to make a determination. I don't specifically
15 recall why we rejected their proposal. We were, as
16 the email lays out, already talking to [REDACTED]
17 about an alternative, but I -- I can't say that that
18 specifically was why we turned that down.

19 BY MS. WAXMAN:

20 Q. Did you disclose the SEC's investigation
21 into Ripple to [REDACTED]?

22 A. I don't recall.

23 Q. How did [REDACTED] -- did [REDACTED]
24 become aware of the SEC investigation at any point
25 during the negotiations?

1 MR. HECKER: Objection to form.

2 Foundation.

3 THE WITNESS: I don't recall.

4 BY MS. WAXMAN:

5 Q. Did you disclose -- was -- did [REDACTED]
6 have a concern that XRP could be deemed a security
7 under the federal securities laws?

8 MR. HECKER: Objection to form.

9 Foundation.

10 THE WITNESS: I think you'd have to ask
11 them. I don't -- I don't know if they did have that
12 concern.

13 BY MS. WAXMAN:

14 Q. You don't have an understanding as to why
15 they included this provision in the term sheet?

16 MR. HECKER: Same objection.

17 THE WITNESS: You'd have to ask [REDACTED]
18 [REDACTED] why they included that.

19 BY MS. WAXMAN:

20 Q. If XRP was deemed a security, would that
21 present a business risk to Ripple?

22 MR. HECKER: Objection to form. Calls for
23 speculation.

24 THE WITNESS: I'm not a securities expert.
25 I don't feel like I'm qualified to answer that

1 question.

2 BY MS. WAXMAN:

3 Q. Is there any reason why Ripple would not
4 want to treat XRP as a security?

5 MR. FORD: Objection to form.

6 THE WITNESS: I would have to -- it could
7 potentially impact the venues on which XRP would be
8 able to trade was -- was one consideration.

9 BY MS. WAXMAN:

10 Q. Any other consideration?

11 A. I don't recall.

12 Q. With the caveat, I don't want you to
13 disclose any conversations you've had with counsel
14 about it.

15 If XRP were to be deemed a security under
16 U.S. laws, would that have any impact on the
17 functioning of any of Ripple's products?

18 MR. FORD: Objection to form. Again, to
19 the extent you can answer that without disclosing
20 any conversations you had with counsel.

21 THE WITNESS: I can't answer that.

22 BY MS. WAXMAN:

23 Q. Can you not answer because you had
24 conversations with counsel?

25 A. The reasons -- because of the

1 conversations with counsel.

2 Q. Setting aside conversations with counsel,
3 did -- did -- would XRP be -- status as a security,
4 have any impact on the functioning of xRapid?

5 MR. FORD: Objection to form.

6 If you can set aside conversations with
7 counsel.

8 THE WITNESS: At a product level? I
9 wouldn't feel qualified to answer that.

10 BY MS. WAXMAN:

11 Q. Who would be able to answer that question?

12 A. Head of product, perhaps.

13 MS. WAXMAN: 177, please.

14 (Whereupon, Deposition Exhibit 177
15 was marked for identification.)

16 BY MS. WAXMAN:

17 Q. I'm showing you a document that's been
18 marked RW177, which is a document with the Bates
19 0929710 through -713.

20 The top email is from you to Breanne
21 Madigan. Who was Breanne Madigan at the time?

22 A. November of 2018, Breanne Madigan was the
23 head of XRP markets, I believe.

24 Q. I believe it's 2019.

25 A. 2019. Sorry.

1 Q. Okay. And you write, "given we are out of
2 the market." What are you talking about when you
3 say we are out of the market?

4 A. I don't recall this email, but it appears
5 from the second page that we are not selling XRP
6 programmatically.

7 Q. Okay. And for -- and were you selling XRP
8 over the counter at that time?

9 A. I don't recall this specific email, but it
10 looks like, from this email, that the XRP sold was
11 also zero at that time.

12 Q. Why did you hold XRP sales in November
13 2019?

14 A. I don't recall.

15 MR. FORD: Objection.

16 MR. HECKER: Objection.

17 THE WITNESS: I don't recall.

18 BY MS. WAXMAN:

19 Q. Did Ripple continue to sell additional XRP
20 sales after November 2019?

21 MR. HECKER: Objection to form.

22 THE WITNESS: I don't recall.

23 BY MS. WAXMAN:

24 Q. If Ripple had stopped selling XRP, would
25 that be of concern to you?